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**Evaluating Public Sector Reforms in Botswana: *Performance
Management, Privatization and Anti-Corruption Reforms***

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This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signature.....

Date.....

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ABSTRACT

The past three decades have been described by some authors as a golden era of public sector reforms, particularly, in developed countries. In a context of changing public expectations, financial and economic crises and technological advancements many governments across the world have pursued reforms to improve efficiency and achieve greater effectiveness in governance, as well as to address persistent problems such as corruption, among many motives.

This study sought to examine Botswana's most recent attempts at public sector reform, which, to a greater extent than its previous endeavours have reflected global trends. Specifically, it sought to evaluate the impact of performance management, privatization and anti-corruption reforms on the country's public sector. The dissertation has primarily consisted of desktop documentary review of relevant literature and provides an extensive assessment of public sector reforms trends in developed and developing countries, as the background against which examination of the three reform initiatives undertaken by Botswana is made.

The study found that performance management, privatization and anti-corruption reforms have all had disparate effects on Botswana's public sector. Overall, privatization provides the least cause for optimism, having failed to match the rhetoric of its founding policy. The study maintains that the highly bureaucratic and centralized nature of the country's administrative machinery has been a barrier to the development of the private sector in the country. The Performance Management System and the Directorate of Economic Crime and Corruption (DCEC) were, by comparison, found to be relatively more successful reforms, with the latter found to have played an important role in sustaining the country's consistently high ranking in global governance rankings. The study concludes that while these reforms have generally been positive developments, there is a need for a review of Botswana's privatization policy if the country is to address what, by common consent, are regarded as its main economic concerns, such as private sector underdevelopment and mineral resource dependency.

CHAPTER ONE

1.0 Introduction

This dissertation is the culmination of a study that sought to investigate the implementation and impact of public sector reforms undertaken in Botswana. Three specific measures were under examination, namely performance management, privatization and anti-corruption reforms. Together, these initiatives comprise the key components of the most recent reforms to the country's public sector, the genesis of which was the last decade of the twentieth century.

1.1 Public Sector Reforms

In the evolution of public administration and management the period since the late 1970s is commonly regarded as one of considerable dynamism, as highlighted by the concerted efforts of governments in developed and developing countries at transforming their public sectors. Prominent narratives in the scholarly discourse of this era identify as among its underlying themes, the improvement of performance in the public sector, particularly in its role as a conduit for public services. In their pursuit of this amongst other objectives, pioneer reformer nations embarked on extensive changes that to a significant extent reflected the political, economic and social milieus within which they occurred.

Much of the literature charting public sector developments in the 20th century identifies a 'traditional' approach to public administration that, until the period of administrative changes of its latter decades, had been the established theoretical and practical discipline in many governments around the world. According to Pollitt and Bouckaert (2004:24), various forces accounted for the "more or less simultaneous" reform movements that subsequently arose to challenge this perspective, initially in Western developed industrial nations and then beyond it. There were economic imperatives, necessitated by the oil price-induced economic recession. These included rising fiscal debts and the rapid growth of international trade and global capital markets. Equally significant were socio-demographic developments, highlighted by, for example, changing demands for and expectations of state- provided services; and changes to political systems, some important drivers of which included the embrace of generic management ideas in public sector

operations and the prevailing climate of public dissatisfaction with public services (Pollitt and Bouckaert, 2004:26-37).

The ensuing changes of this period marked a departure from what was considered the orthodox framework for public sector thinking and organization. Their implications for the role, size and scope of government and the established bureaucratic mode of administration in particular, were austere. As, according to the dominant discourse of the day, the convenient culprit for many of the preceding crises, the latter was regarded variously as wasteful, unaccountable, unresponsive and ultimately underperforming (Bangura and Larbi, 2006:3-7). Seized upon by new administrations that were antagonistic to the prevailing order, notable among these being the governments of the United States and the United Kingdom from the late 1970s, these charges were presented as symptomatic of the existential crisis of the welfare state. They were to be remedied, according to the rhetoric of these early reformers, by radical alterations that included:

- the restructuring and reduction of the public sector;
- the reorganization and slimming down of central civil services;
- the introduction of competition into remaining public services, especially through internal markets, and the contracting of public service provision to the private sector;
- the pursuit of 'value for money' through performance management and auditing (McCourt and Minogue, 2001:21).

The above are key prescriptions of the broad reform agenda that many governments embraced to treat the perceived symptoms of public sector underperformance. Collectively termed New Public Management (NPM), these reforms emanated from Commonwealth countries such as the United Kingdom, New Zealand and Australia and spread to member states of the Organization of Economic Co-operation and Development (OECD).¹ Primarily under the auspices of international organizations and donor institutions, NPM-associated ideas and practices gained in subsequent decades an international dimension, often disseminated to developing and transition countries as

¹ OECD member states are: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States.

examples of international ‘best practice’. Evidence of this is borne by their presence in numerous countries of different cultural and political traditions (United Nations, 2005: 10).

While NPM has by no means comprised the sole agenda for public sector reform since the late 1970s, as confirmed by emergent reform trends that have emphasized, among others, governance and capacity building, its implications for the role and character of the state have been more extensive than those of recent reform agendas.

Developing and transitional countries have also undertaken public sector reform programmes in recent decades. While subject to similar motivations for transformation to more industrialised countries, including performance imperatives, initial reforms in developing countries were largely aimed at arresting prevailing macro-economic crises. Comprising measures such as trade liberalization and privatization, these early reforms were among the ‘loan conditionalities’ appended to the Structural Adjustment Programs of the international donor community (Balogun and Mutahaba, 1989; Bangura and Larbi, 1996). Wider administrative reforms, which sought to address issues of state governance and development, only became central to the public sector reform agendas of developing countries in the 1990s.

1.2 Background to Public Sector Reform in Botswana

As with most countries, Botswana has not been immune to the appeal of reform as a means of addressing its public sector challenges. Unlike its developing counterparts and for reasons that will be explored in some detail in the following chapters, however, the pressures for public sector transformation have generally been endogenous, affording the country a home grown approach to reform. Since its independence in 1966, Botswana has undertaken a host of reforms that can broadly be categorized into two phases. The first phase was introduced a few years after independence for the purposes of guiding and “sustain[ing] the management of the meagre resources at its disposal” (Bashe and Jongman, 2006:19). These reforms included:

- National Development Planning – the six yearly agenda that details the policies, programmes and projects to be implemented by government
- Manpower and Financial Ceilings – which were intended to manage the growth of public service personnel and control the use of funds by Ministries and Departments

- Localisation – which facilitated the development of an indigenous corps of public service officials
- Job Evaluation - this provided a way of managing and rewarding performance in the public service (Bashe and Jongman, 2006:19).

Although useful for introducing systems and methods to the early post-colonial administrations, the initial reforms were fragmented in their implementation, with their scope limited to specific areas of the public service rather than the system as whole. Equally important was the insufficient attention given to the assessment of performance and public service delivery (Corkery *et al.*, 1998; Bashe and Jongman, 2006). Lacking the operational tools to adequately appraise its management and performance, Botswana's public sector was riddled with inefficiency and underperformance that manifested in planning problems such as the frequent non-completion of many projects, inefficient management of resources and widespread perceptions of insensitivity by the public that it was intended to serve (Republic of Botswana, 2002: 3).

Beginning in the 1990s, a second generation of reforms was undertaken with the intention of addressing the residual challenges from the previous initiatives and ultimately improving the provision and quality of public services. Of the various measures undertaken in that decade, performance management systems, privatization and anti-corruption reforms have been important for advancing the government's aims.

1.3 Defining Privatization, Performance Management and Anti-Corruption Reforms

This section will provide general definitions of the three public sector reforms under examination in the dissertation: performance management, privatization and anti-corruption reforms.

1.3.1 Privatization

Along with downsizing or retrenchment, privatization has been a common reform measure pursued by industrial and developing countries alike and the previous three decades have witnessed privatizations across all spheres of the state including national airlines, telecommunications and health services (McDonald and Ruiters, 2005). Though frequently

taken to imply the complete divestiture of state assets to private ownership, in practice privatization can take a broad range of forms with different degrees of state and private ownership. Hope and Chikulo (2000: 32) classify privatization as one of various types of decentralization and define it as “the transfer of operational control and responsibility for government functions and services to the private sector – private voluntary organization or private enterprises.” The various forms it can assume include: the contracting out of government services to external agencies; joint ventures between government and private entities; and, the sale of government services or functions. In many countries, obligations to transfer state assets, whether partially or completely to private and voluntary sector control, have often been driven by the imperatives of budgetary constraints, reducing subsidies to state owned enterprises and strengthening private sector participation in the economy. According to the economic justifications for privatization, state divestiture of public enterprises exposes them to competition and the discipline of market forces, reduces public expenditure and enables governments to direct their efforts and scarce resources to other, more critical policy concerns (McCourt and Minogue, 2001; Hughes, 2003).

1.3.2 Performance Management

An enduring legacy of the flurry of administrative transformations of the late 1970s onwards has been the growing scrutiny of the performances of public organizations and the public servants in their employ. Although public sector performance and particularly its measurement has long been a concern for practitioners and policy makers, with early innovations dating back to the 19th century, the measures that existed were largely “*ad hoc* and far from systematic” (Hughes, 2003:157). Under the traditional model of administration, which had as its basis the concept of rational-legal authority, the notion of performance incorporated the fulfilment of the inherently political values that the model was intended to realise, including legal, budgetary and professional accountability. ‘Post-bureaucratic’ perspectives of performance, however, have been markedly different. These have a more practical and output-centred conception of performance, which is to be determined by amongst other requirements, the establishment of clear standards and measures (Hood, 1991; Rouse, 1999; Hughes, 2003; OECD, 2004).

The abovementioned constitute some features of a performance management framework. One definition of performance management is provided by Armstrong (2000: 1), who conceives of it as:

“a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of individual contributors and teams.”

Drawing from advances in information technologies and private sector techniques, performance management has been closely associated with NPM. Among leading reformers, it has involved the development by public agencies of ‘measurable’ organizational and individual performance indicators and their consistent monitoring, measurement and reporting (Hughes, 2003; Ohemeng, 2009). Assessed against predefined objectives, the resultant performance information would then form the basis of decisions such as resource allocations, rewards and sanctions (Hood, 1991; OECD, 2004). The establishment of performance management frameworks has been widespread, having been applied to many sectors such as those of education and health by governments seeking to understand and improve the performances of personnel and organizations to predefined objectives.

1.3.3 Anti-Corruption Reforms

Since the early 1990s the scourge of corruption in the public sector and the importance of effective measures to counter it have gained prominence in the policy agendas of many governments. These developments have been notably pronounced in developing and transition countries, for which the availability of donor aid created opportunities for corruption. The introduction of anti-corruption programmes in these countries was subsequently made a conditionality of future aid by donor agencies. According to the Independent Evaluation Group’s² (IEG) assessment of the World Bank’s support, titled *Public Sector Reform: What Works and Why?* (2008), several factors contributed to the broadening of the Bank’s interventions to include a ‘governance agenda’. Prominent among these were the need for second-generation reforms to institutions and the general failures of lending, particularly in Africa (IEG, 2008: 15).

Corruption is defined by the World Bank in its World Development Report of 1997 as “the abuse of public power for private gain” (1997:102). In their endeavours to reduce corruption

² The Independent Evaluation Group (IEG) is an independent unit of the World Bank Group. It is responsible for evaluating the activities of the Bank, amongst other duties, in order to provide objective assessments of the Bank’s interventions and the lessons learned from experience.

many developing and transition governments have adopted multi-pronged strategies that have included reforms to economic policy, including the streamlining of rules and improvements to transparency; administrative and civil service reforms, including decentralization and changes to pay and employment policies; and the strengthening of public oversight and accountability mechanisms, which has involved the establishment of public watchdog organizations with varying degrees of autonomy, such as anti-corruption commissions and Ombudsmen (World Bank, 1997: 2000).

1.4 Research Approach and Objectives

The objectives of this study were to examine and evaluate the second generation of public sector reforms in Botswana. Specifically, it sought to:

- identify the reasons behind public sector reform in Botswana
- establish how performance management systems, privatization and anti-corruption reforms have been implemented in the public sector; and
- evaluate the impact of these reforms according to the changes they sought to effect on Botswana's public service.

1.5 Methodology

The study consisted principally of a review of the literature pertinent to public sector reforms and relied upon both primary and secondary sources. Important primary sources of literature included government publications such as the PMS Philosophy Document, the Privatization Policy of 2000 and the *Vision 2016* strategy document. Secondary sources of literature used included books, journals articles, published and unpublished papers, conference proceedings and survey results.

1.6 Organization of the Paper

- **CHAPTER ONE** provides an introduction and background to the major themes explored in the study. It also delineates how the study has been undertaken.
- **CHAPTER TWO** provides a review of the literature from which the

study is drawn, as well as an exploration of the theoretical foundations of the New Public Management: the body of managerial thought that arose to challenge the public administration framework in the 1980s and retains some influence in the public sector reforms of many countries.

- **CHAPTER THREE** provides an overview of the environment for the second generation of public sector reforms in Botswana and introduces the three reforms under evaluation in the fourth chapter.
- **CHAPTER FOUR** presents the findings of the three reform initiatives implemented in Botswana's public sector as well as assessments of their impacts on the changes they sought to effect.
- **CHAPTER FIVE** presents the conclusions of the study.

CHAPTER TWO

Public Sector Reforms in Developed and Developing Countries

2.0 Introduction

The objective of this chapter is to review existing work in the field of public sector reform and the administrative frameworks that influenced many of the reform trends of the latter decades of the 20th century. To achieve this objective, the review will first outline what comprises the public sector, and its reform thereof. This will be followed by an exploration of the theoretical foundations of the New Public Management framework and subsequent reform trends. Lastly, the review will scrutinize the literature on the major reform initiatives in developed and developing countries over the last three decades. The examination of critical writings on public sector reforms should provide a broad context within which the introduction of Botswana's reforms environment can be made.

2.1 The Public Sector

There is a lack of definitional clarity on the public sector; with attributes such as its role, size and scope subject to enduring contention. This state has been aided by the significant transformations of the past three decades in which these features, along with other aspects of the state, have been redefined by ideological currents in many reforming nations. A suitable place from which to begin is a brief examination of the purpose of public sector activity. Conventional accounts delineate two primary means by which citizens are able to attain goods and services in a society: the market mechanism of private initiative and voluntary exchange; and the state, which involves authority and coercion (Lane, 1985; Ostrom, 1990; Hughes, 2003).

A concern that arises in a scenario where the market is the sole social choice mechanism is a problem of collective action, which Hardin (1968) describes as the inability of individuals to choose socially optimal outcomes. While an exhaustive account of the collective action problem is beyond the scope of this review, it is important to note that if left to the market mechanism, certain socially desired goods and services - such as a legal framework or a national defence force - would likely be limited in their provision or entirely absent. This is due to two defining characteristics: their equal availability and accessibility to all. These render the private costs incurred in their provision greater than their benefits. The prospect of

this scenario leads Hughes (2003) and Lane (1985) to observe that failure of the market to effectively allocate collectively desired services provides a justification for public policies and the entities through which they are realized. Kettl (1997:459) frames this more succinctly with the observation that “government exists, and has always existed, precisely because the private market, and market-style management, does a terrible job in pursuing goals such as these that go beyond efficiency”.

Ayee (2008: 3) posits an institutional definition the public sector, locating as falling within its parameters, those entities with the “ability to invoke, to a greater or lesser degree, the compulsive power of the state.” His typology identifies three types of public sector institutions to whom authority is conferred to varying levels by the state. The first group includes bodies such as ministries, departments and agencies that are typically associated with government and wield considerable authority. A second group comprises state enterprises; their distinguishing features being limited jurisdictions and monopoly statuses, such as utility corporations. The third type of entity that receives government mandate, but markedly with less authority than others, includes professional regulatory bodies, whose primary function is to safeguard public interest.

2.2 The Imperatives for Reform

The literature reviewed is unanimous in declaring the period since the late 1970s and early 1980s a golden age for public sector reforms in Western nations (Kickert, 1995; Horton and Farnham, 1999; Hughes, 2003; Pollitt and Bouckaert, 2004; Adamolekun, 2005; United Nations, 2005). This does not imply an era of administrative stasis prior to this period. Denhardt and Denhardt (2000:552), in fact, observe “a rich and vibrant evolution in thought and in practice” of public administration in the last 100 years. Particularly distinctive about the 1980s reforms, however, was that they coalesced around a broad transformation agenda with ‘radical’ proposals for better public service delivery. Equally significant has been their apparent ubiquity; their associated ideas and practices reportedly finding appeal in such culturally and politically diverse countries as Brazil, South Korea and Australia (Mascarenhas, 1993; Kaboolian, 1998; United Nations, 2005).

Kickert (1996) identifies financial and economic pressures as the initial imperatives for reform. The economic recession that ensued from the oil crisis of the 1970s left many Western nations with severe budget deficits. An obvious target for austerity measures was the

public sector, which, in the post war period had undergone significant expansion to meet the welfare requirements of citizens. He (1996:2) states that:

“the Western welfare state proved unaffordable. The need to cut back in the public sector, and especially the enormous size of the inevitable retrenchments, form the major explanation for the necessity of drastic reforms in the structure and functioning of Western governments and administrations. Without drastic reforms, these Draconian budget cuts could not be realised.”

In their model of public management reform Pollitt and Bouckaert (2000:25) also refer to economic forces for reform, albeit within a broader context of ‘socio-economic forces’, which also include socio-demographic change and socio-economic policies. They are, however, cautious not to ascribe undue explanatory power to arguments that suggest linearity between the global economic crises of the 1970’s and the wave of public sector transformations ensued. As demonstrated by the wide variations in the timing, manner and degrees to which the reforms have manifested in different countries, the influence of global economic forces on institutional changes have not been uniform. They suggest that rather than being *the* determining influence in the global reform movement, economic pressures provided an indirect influence that subsequently found traction in ‘more intervening factors’ (Pollitt and Bouckaert, 2000:28).

Mascarenhas (1993) identifies as among the factors behind the public transformations of the 1980s, the growth in economic interdependence among national economies. In response to declining performances brought about by the economic crises, private sector organizations and multi-national companies were compelled to restructure and rationalize their operations to remain competitive at both national and international levels. According to Mascarenhas (1993:320), the incongruence of growing global economic interconnectedness and government policies that were still relatively confined to national boundaries highlighted the necessity of policies promoting national competitiveness. These changes in global economic and political dynamics forced change upon the state, firstly through financial deregulation and economic liberalization, and then subsequently through public sector transformations.

Socio-demographic factors are also identified as having given impetus to government reforms. Pollitt and Bouckaert (2000:28) describe these as “the pressures arising from changes in the pattern of life for millions of citizens,” such as “increased life expectancy, changes in the patterns of family life (especially a higher incidence of single-parent and

single-person households) and considerable rise in the average level of employment.” Some of these social changes, particularly within developed nations, drove new and more sophisticated expectations of government from citizens (Cohn, 1997; Manning, 2001). In his seminal analysis of this era of change, Hood (1991:189) attributes these developments to “the set of special social conditions developing in the long peace in the developed countries since World War II, and the unique period of economic growth, which accompanied it”. Included among these was the emergence of more socially heterogeneous populations, less accepting of uniformity in the administration of public services.

2.3 Theoretical Perspective: The Concept of New Public Management

The term ‘new public management’ (hereafter NPM) was a relatively late entrant to the lexicon of public administration in the 1980s, preceded by the extensive administrative practices and ideas later subsumed under its label. Hood (1991), for example, links the rise of NPM to the prevalence of other ‘administrative megatrends’ including developments in generic perspectives of public management. That these reform initiatives emerged before collective appellation renders a precise definition of NPM elusive. This is also due to its hybrid nature, which is a composite of disparate theories, ideas and techniques. Ferlie *et al.*, (2002:213), for example, recognize four models of NPM that, though distinct from traditional administration, “contain important differences and distinctive features.” These are the efficiency drive, downsizing and decentralization, excellence and the public service orientation models. Hood’s (1991:187) widely cited account, on the other hand, identifies as key doctrinal components of NPM: hands-on professional management in the public sector; explicit standards and measures of performance; greater competition in the public sector; and, the use of private sector management styles.

2.3.1 The Origins of NPM and Underlying Forces

The theoretical girders of NPM can be linked to the sustained attacks on government and the bureaucratic mode of delivery in the early 1980s. Cohn (1997) suggests that a crucial factor behind these criticisms was the political manipulation of the foregoing socio-economic crises in developed nations as evidence of the failings of the welfare state. Central to this was the emergence of political actors whose critiques of government, among which were charges of ineffectiveness and inefficiency, carried ideological undertones synonymous with New Right thinking (Cohn, 1997; Hood, 2003). Two prominent and influential exponents of New Right

rhetoric were Margaret Thatcher in the United Kingdom, and Ronald Reagan in the United States.

Horton and Farnham (2000) identify the foundation of New Right thinking as the mistrust of the central coordination of economic decisions by the state. The movement espouses values such as individualism, personal freedom and choice, which are expressed in the preference of 'free' markets over politics, "both as a means of producing and distributing goods and services in society and as institutional arrangements for providing social organization and social control" (2000:10). An important component in the intellectual arsenal used in the New Right's assault on the public sector has been Public Choice Theory.

2.3.2 Public Choice Theory

Although critiques of public administration draw theoretical support from various economic principles, several authors identify the role of public choice theory as especially pivotal in providing a basis for post-bureaucratic forms of organization in the public sector (United Nations, 2000; Hughes; 2003; Osborne, 2006). Derived from new institutional economics, the theory seeks to provide a persuasive account for why governments fail to produce socially and economically optimal outcomes. Following in the reductionist tradition of economics, it relies on methodological individualism to account for the behaviour of political actors including politicians, bureaucrats, political parties and interests groups (Ostrom and Ostrom, 1971:93).

The theory rests upon various assumptions about individual behaviour, the most common of which hold that individuals are:

- Self interested, possessing full awareness of their preferences
- Rational, implying an ability to rank their preferences
- Guided by the principle of utility maximization and as such, able to calculate the relative costs and benefits of pursuing a given preference and typically taking the action that yields the maximum amount of utility, or satisfaction (Ostrom and Ostrom, 1971; Dunleavy, 1991)

These assumptions, when attributed to political actors cast doubt on traditional assumptions

of benevolent bureaucrats, bureaucracies and governments. According to Hughes (2003:11)

“Instead of being motivated by the public interest, bureaucrats, like anyone else, are assumed to be motivated by their own selfish interest. Bureaucracies do not work well when looked at from this perspective because individual bureaucrats are regarded as trying to maximize their own utility at the cost of their agency; maximizing their own welfare and not the public interest. Similarly, politicians are not to be trusted as they maximize votes and/ or money.”

According to this perspective of the public sector, bureaucrats are inclined to maximize their bureaus' budgets because of their own rational considerations, which may include variables such as salary, prestige, reputation and patronage (Tullock, 1965; Niskanen, 1971). When aggregated, the consequence of self serving-behaviour by political actors is 'government failure', symptoms of which include bloated bureaus, excessive government expenditures and the capture of public policies through rent seeking behaviours (von Mises, 1944; Hayek, 1960; Batley and Larbi, 2004). Public choice theory, therefore, provides a rationale for the introduction of the market mechanism into the public sector to induce better performance and service delivery.

Despite its influence on NPM, public choice theory has received significant critical attention, not least because of the shortcomings of its core assumption of rationality. The theory, it is worth remembering, suggests that sub-optimal social outcomes are consequences of the pursuit of rationally self-interested actions on the part of individual bureaucrats. Taken beyond the political context, the assumption implies that the pursuit of collective goods through any form of collective action in society would be against self-interest, and therefore irrational. Examples abound, however, of seemingly rational and uncoerced individuals engaged in collective action towards socially desired outcomes. The action of a stranger through, for example, an anonymous donation to a charity does not immediately indicate rational self-interest by said stranger, particularly as it brings no discernable returns. Yet, people make anonymous donations daily in full awareness of this. Similarly, individuals may and often do risk personal injuries by participating in demonstrations against repressive regimes, nonetheless such conduct does not conform to the assumption of inherent self-interest advanced by rational choice theory (Heath, 1976; Elster, 1989).

Within the bureaucracy, it is conceivable that there are likely to be non-utility maximizing bureaucrats that, according to the theory would be considered irrational. While reliant on the

core tenets of public choice theory, Dunleavy's (1991) bureau-shaping model supports this view by presenting an opposing account of bureaucratic behaviour that suggests that, among other things, bureaucrats would not necessarily prefer expanded bureaucracies, but smaller agencies, closer to political power. The prevalence of several examples of collective action throughout society presents a challenge to public choice theory's explanatory power in accounting for social and bureaucratic behaviour. Other charges have centred on the theory's perceived ideological bias, reductionism and inability to withstand empirical scrutiny (John, 2000).

2.3.3 Managerialism

Managerialism is generally considered the second theoretical strand of NPM (Hood, 1991; Hughes, 2003). A useful account of managerialism is that of Pollitt (1990) who takes it to mean beliefs and practices grounded in the assumption of a managerial solution to political and social problems. Implicit in this idea is the view of management as generic, readily transferable to any context and superior to other methods of organizing public activities (Hood, 1991; United Nations, 2005). Farnham and Horton (1999:41) identify five axioms of managerialism, which are that:

“Social progress requires continuing increases in economic productivity; productivity increases come from applying sophisticated technologies; the application of these technologies can only be achieved through a disciplined workforce; business success depends on the professionalism of skilled managers; and to perform their crucial role, managers must have the right to manage.”

From the foregoing, some important points about managerialism emerge. The identification of social progress as contingent on increasing economic productivity is indicative of a shift in administrative values. Using Hood's (1991:11) typology of core values in public management, economic productivity conforms to *sigma-type* administrative values, which emphasise output orientation, frugality and cost consciousness in the provision of public services. This is in contrast with the traditional model of administration that, reflecting *theta-type values*, assumes a legally based conception of what constitutes administrative success and failure. The values include legitimacy and due process, as well as the achievement of fairness and the proper discharge of duties (Hood, 1991:11). Managerialism, according to Farnham and Horton (1999), demands the achievement of value for money, expressed in the 'three Es' of economy, efficiency and effectiveness.

Integral to the pursuit of value for money is the idea that managers must have a great degree

of discretionary control over vital elements of the organization, such as human resources, budgetary systems as well as rewards and incentive structures (Farnham, 1999; Hughes, 2003). This is in contrast to the functions of bureaucrats in the tradition model, whose agency is frequently portrayed by critics as confined to custodianship of rules and procedures (Hughes, 2003). In his examination of the 'global revolution in public management', Kettl (1997) perceives two variants of managerialism, namely the '*let* the managers manage' and the '*make* the managers manage' approaches. The former advances the idea that operational constraints, not civil servants, are the source of inefficient and ineffective government performance. To improve organizational performance, therefore, the perspective seeks to liberate public managers from the strictures of bureaucratic control and provide them with the autonomy to creatively and flexibly achieve organizational objectives (Kettl, 1997; Aberbach, 1999; Schick, 2002; Terry, 2005).

Borrowing from new institutional economics, the 'make the managers manage' approach assumes a more sceptical account of managerial motivations in public agencies. Believing managers to have little inducement to manage in the public interest under public sector monopoly conditions, it advocates the use of markets and competition to align their objectives to the wider goals of the public organization (Kettl, 1997; Terry, 2005). In a so-called 'aggressive' NPM reformer such as New Zealand, contracts effectively replaced permanent tenure as the incentive mechanisms of choice for improving government performance (Scott, Ball and Dale, 1997). Departmental chief executives and other senior public service managers, for example, are held personally accountable for the performance of their departments by their ministers. Accountability is enforced by fixed-term contracts and negotiated annual performance agreements that are aligned to rewards and penalties (Scott *et al*, 1997; Bale and Dale, 1998; Levy, 2010).

As with other elements of the NPM, managerialism has been subject to much critical treatment in the literature. The perceived perversion of what are considered distinctive public sector characteristics by managerialism's implicit assumption of the transferability of private sector methods of organization to the public sphere present one such area of criticism (Stewart and Walsh, 1994; Hughes, 2003). The challenge of importing private sector techniques into public sector activities is common to many countries, with difficulties experienced in 'managing' performance particularly instructive. Schick (2002:24) concurs in his observation that it is easier to '*let*', rather than '*make*' managers manage, noting the

relative underdevelopment of ‘accountability frameworks’ such as performance audits and specifications of targets in various countries that have undertaken managerial reforms.

2.4 Public Sector Reforms in Developed Countries

Though frequently presented as a ‘global phenomenon’, there have been significant differences in the manner in and extent to which the public sector reforms of the 1970s and 1980s unfolded in the industrial nations in which they emerged. The literature generally charts a distinction between leading reformers from English speaking countries such as New Zealand, Australia and the United Kingdom, and those considered variously as late, pragmatic and reluctant reformers, such as the countries of continental Europe and the developing world (Kettl, 1997; Hood, 2000; Pollitt, 2000; Manning, 2001; Levy, 2010).

As noted above the convergence of several forces, including the crises of global financial systems and the intellectual ascendancy of neo-classical economic thinking in the public sphere are commonly cited motives for the eventual reforms of the 1980s. In the United Kingdom a decisive factor - that Pollitt and Bouckaert (2000) regard as central to public management reforms - was the emergence of ‘elite decision makers’ in the form of Prime Minister Margaret Thatcher’s Conservative Party, particularly its ‘New Right’ wing. Upon assuming power in 1979, deference to the private sector ideas and techniques became a prominent feature of the Conservative Government’s policies; a change evident from early on in the efficiency scrutinies that invoked private sector techniques and expertise in seeking to eliminate waste and reduce costs (Ferlie *et al*, 1996; Rouse, 1999; Mascarenhas, 2003).

The introduction of the Financial Management Initiative (FMI) in 1982 highlighted a shift in the management of performance in central government (Rouse, 1999; Alford and Hughes, 2007). According to Horton (1999:147), this entailed the delegation of greater responsibility to managers, the establishment of systems for clarifying their objectives, measuring their output and improving their performances as well as the development of

“common accounting systems and systems for monitoring and controlling expenditure [for] ensuring that financial information was available on costs, expenditure patterns and budget profiles and providing a much clearer picture of how resources were being used and how much programmes cost”.

Notwithstanding the aforementioned developments, the bureaucratic organization of the civil

service, typified by monolithic departments under strong ministerial control, was deemed an obstacle to effective managerial performance. On the recommendations of a report titled *Improving Management in Government: The Next Steps*³, the government embarked on further reforms that structurally separated the policy-making and executive functions of departments. Operationally decentralized agencies were created within departments with chief executives responsible for their performances, while the role of policy-making remained the preserve of core departments (Mascarenhas, 1993; Cohn, 1997; Hogwood, 1999; Horton, 1999).

In addition to the use of business type management principles and the attempts to separate the policy making from administrative functions, the introduction of competition to the public services formed a key policy of British public management reforms under the Conservative government. 'Contractualism' or government by contract underpinned these developments. Building on the structurally decoupled administrative functions, competition in the public service provision entailed the exposure of public agencies to external and internal markets with contracts enforcing terms such as outputs and penalties (Hoggett, 1996; Rouse, 1999; Alford and Hughes, 2007). In addition to the increased private sector role in the public sector noted above, Cope (1999) identifies the sale of government assets and commercialization of many public bodies as among the three prominent manifestations of privatization in Britain.

The public sector reform experiences of the United States present interesting contrasts to those of parliamentary democracies such as Britain and New Zealand. Lynn (2006) describes them as disjointed and non-linear; distinct from the comparatively systematic and comprehensive changes witnessed in some of the leading reformers, notably the 'Westminster' nations. One account offered for this is that many of the developments subsequently termed 'managerial' in Europe and the antipodean countries had been components of 'American administrative ideology' for nearly a century (Lynn, 2006:104). This is a view echoed by Kickert (1996:5), who identifies a "belief in the curative function of management" as idiosyncratic of American culture and its reverence of individualism. The advent of Frederick Taylor's scientific management movement in the early decades of the 20th century and its adoption at the Federal level of American administration, along with other managerial developments such as systematic privatization of public services in the

³ Jenkins, K., Caines, K and Jackson, A. 1988. *Improving Management in Government: The Next Steps*. London: HMSO.

1950's, are instructive examples of enduring American embrace of generic management principles (Lynn, 2006:98).

Another account for the specificity of U.S administrative developments has been the political context for reform. The separation of powers' doctrine, constitutionally provided to negate tyranny, presents a significant challenge to public administration and its reform in the U.S. Rockman and Thiam (2009) note the preponderance for ambiguity of administrative authority in the system arising from it. This is something that, particularly in the past three decades, has been exacerbated by different parties controlling the executive and legislative branches of government as well as deeper divisions in the parties' policies. The consequences of this 'convoluted' nature of the American system renders the bureaucracy a highly contested terrain and relegates reform efforts to political strategies for either aggrandizing a particular branch of government or distributing power (Aberbach and Rockman, 2001; Rockman and Thiam, 2009).

The administrative reform initiatives proposed by the Clinton administration from 1993 represented the first efforts to adapt the NPM reform agenda to the American system. Although previous attempts at federal level administrative reform, notably under the Reagan administration, had been guided by ideological currents similar to those underpinning the NPM agenda, the National Performance Review (NPR) was generally considered its first incarnation in the United States (Aberbach and Rockman, 1999; Rockman, 2001; Lynn, 2006; Dunn and Miller, 2007).

Influenced to a significant extent by David Osborne and Ted Gaebler's (1992) *Reinventing Government*⁴, the NPR was considered distinct to previous approaches to federal reform, that were influenced by ideologically driven opposition towards government and public servants. According to Rockman (2001) the NPR identified the *systems* within which civil servants worked, and not bureaucrats themselves, as constraints to the effective and efficient operation of the federal government. In particular, the problem was deemed a consequence of the "mismatch between the government's industrial age structures and the high speed and flexible nature of the information age in which people were now living" (Rockman and Thiam, 2009:212).

⁴ Osborne, D and Gaebler, T. 1992. *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector from Schoolhouse to State House, City Hall to Pentagon*. New York: Penguin Books.

The solution proposed by the NPR was for 'entrepreneurial government' to supplant the discredited bureaucratic paradigm. Reflecting concepts and language consistent with NPM's managerialist strand, the principle themes of entrepreneurial government were:

- The reduction of 'red tape' - which was central to the federal government's efforts to streamline operations and attain the 'flexibility' required for the information age. The NPR envisaged that the 'casting aside' of excessive rules and regulations would re-orient accountability from the adherence to rules to the achievement of results.
- Putting customers first - which entailed insisting on customer satisfaction
- Empowering frontline officials through the decentralization of authority
- Getting back to basics – which implied the need for constant re-examination of the roles of federal government agencies' and the reengineering of processes to enhance effectiveness while minimizing costs (Moe, 1994; Carroll, 1995; Lynn, 2006; Rockman and Thiam, 2009).

An important managerial legacy bequeathed to American administration by the reinvention movement, and one synonymous with NPM reform programme, has been the Government Performance and Results Act (GPRA) of 1993, which mandated federal agencies to formulate performance plans, conduct performance evaluations and report their progress. Beyond this, Rockman (2001) suggests a more spiritual, than operational resonance between the NPR and NPM. This is a sentiment shared by Lynn (2003) who suggests that while comprising managerial deregulation and public entrepreneurship, the reinvention movement was largely devoid of market-based reforms.

The "President's Management Agenda" (PMA) undertaken by the administration of George W. Bush is regarded as a better representative of NPM reform in America (Lynn, 2006). According to the PMA (2002), three principles underpinned the reforms. Government would be "citizen centred, not bureaucracy centred; results orientated; and market based, actively promoting rather than stifling innovation through competition" (2002:4). In addition to its emphasis on the market-imitative techniques synonymous with NPM, including greater freedom for federal managers and competitive sourcing of administrative tasks, the PMA also

introduced a new system for evaluating the performances of Federal programmes, namely the Program Assessment Rating Tool (PART).

Along with Britain, the antipodean states of Australia and New Zealand are considered fervent adherents of NPM ideas and practices, with their approaches – especially that of the New Zealand - described variously as pure, radical, aggressive and exemplary models of public sector reorganization (Mascarenhas, 1993; Kettl, 1997; Bale and Dale, 1998; Christensen and Lægreid, 2001). Although both countries' reform endeavours have reflected trends towards markets and management and away from the traditional bureaucratic paradigm, there have been discernable divergences in, for example, reform frameworks and processes, as well as the ideas underpinning reform. Halligan (1997:18) identifies the influence of economic ideas as the most significant difference, observing that New Zealand, to a greater extent than Australia, has relied on institutional economic theories to provide the conceptual platform for reforms.

Using Kettl's (1997) dualistic conception of managerialist reforms, Australia is said to have as pursued a '*let the managers manage*' strategy, with New Zealand opting to '*make the managers manage*'. Core to the approach followed by Australia, as noted earlier, was the idea that bureaucratic structures and procedures inhibited improvements to government's performance. The Australian approach to reform, therefore, centred on "the restructuring of its public service, the establishment of a system of financial management and the establishment of efficiency scrutinies to enhance public sector performance" (Mascarenhas, 1993:323). Driven chiefly by its Treasury department, New Zealand's approach of '*making managers manage*' was premised on economic theories of individual behaviour - notably agency theory, which conceives of bureaucratic elites as rationally self-interested - and therefore resolved to steer managerial behaviour through market-imitative incentives (Kettl, 1997; Levy, 2010). Rules and processes were jettisoned in favour of performance contracts, under which managers and chief executives were subjected to rewards or sanctions based on performance (Christensen and Lægreid, 2001).

A review of public sector reforms in developed countries reveals considerable variations in the manner and extent of their application, even amongst countries of similar administrative traditions. Wider differences become apparent when considering the experiences of the developed countries of Continental Europe - notably Germany and France – generally

depicted as pragmatic reformers. Despite applying selected elements of the public management approach, these countries, notably France, retained strong features of traditional administration such as career-based personnel systems (OECD, 2004). Pollitt (2000) and Minogue (2000) point to inherent features in the administrative systems of Germany and France, and their political and legal foundations, to account for the relative difficulty by reformers in those countries to institute the comprehensive administrative reforms demanded by NPM.

The apparent reform divergence within and between developed countries and, as will be explored, their developing counterparts have added to the debates about NPM, particularly around its universal applicability, suitability, and its overall legacy. Those sympathetic (at least initially) to NPM, including organizations like the World Bank and the Organization for Economic Co-operation and Development (OECD) had touted it as a legitimate successor to an administrative paradigm unfit for purpose in a rapidly changing world. To these NPM proponents and others, a management perspective underpinned by economic theories and market values such as efficiency and effectiveness, offered recourse to an administrative framework considered unresponsive to the needs of citizens (Hughes, 2003; OECD, 2004). With markets and competition, centrepieces of the NPM approach, it was envisaged that reform strategies such as contracting out and privatization would be better suited to generating cost savings, producing better quality and more responsive services than those afforded by the bureaucracy (Alford and Hughes, 2007:8).

Of the various critiques of the public sector reforms undertaken in Western, and particularly English speaking countries, significant attention has been focused on their tendency towards the NPM reform agenda and the apparent contradictions emerging from its prescriptions, especially in the 'maturity' stage of its development (Hood, 2000; Hood and Peters, 2004; Terry, 2005). In his examination of public sector restructuring in Britain, Hogget (1996) observed that operational decentralization had been accompanied by 'sophisticated' forms of organizational control that reproduced the formalizing tendencies of bureaucratic organization. Performance management systems are presented as an example of the paradoxes within 'post-bureaucratic' organizational reforms. Specifically, Hoggett (1996:22) suggests that their associated techniques, such as performance monitoring, have often hindered more than helped public sector organizations with oversight mechanisms like audits, performance review systems, peer assessments and appraisals

consuming significant amounts of time and producing goal displacement, particularly in the health, educational and local government sectors.

Maor (1999) and Peters and Pierre (2001) have similarly noted contradictions arising from devolved forms of management in the public sector. In a comparative analysis of six parliamentary regimes, including Australia, New Zealand, U.K and Canada, Maor (1999) concludes that reforms initially intended to improve management capacity in the public sector served to undermine senior civil servants' tenure security and actually brought about greater politicization of the public sector. According to Maor's (1999) study, NPM-inspired changes to civil service systems, such as the introduction of open recruitment and fixed-term appointments, have increased opportunities for partisan-based appointments or dismissals, along with other forms of politicization. This has largely been a result of political principals' desires to reassert some semblance of control over their agents, from a perceived position of operational incapacity. The nature of this 'managerial' paradox, however, has been questioned by Hood and Peters (2004:271) who suggest, among other things, that the increased dismissals highlighted in Maor's study "might simply reflect decreased tolerance for performance failure, in line with the intended effects of managerial reforms."

Various authors have identified NPM-inspired reforms as a threat to the foundations of the public sector and a challenge to its perception as a bastion for substantive democracy. Scholars such as Box *et al.*, (2001), Haque (2001) Fountain, (2001) and Terry (2005) have cited the supposed decline of public accountability, the erosion of the public-private distinction and the 'thinning' of administrative institutions as among the symptoms of the degradation of the public domain. According to Box *et al.* (2001), the market model of administration that NPM advances overlooks substantive issues that previously preoccupied public administrators. The neglect of core issues, such as poverty and disability is a consequence of the theories on which the model is founded, which, it should be remembered view collective action as an aggregation of rationally based individual choices. The outcome, according to Box *et al.*, (2001)

"is a tendency to reduce complex social and economic issues to the management of diversity at the level of the individual organization... Substantive issues at the core of contemporary life, such as racism, poverty, and disability, become individual problems rather than matters to be addressed through substantive democracy."

In its philosophy and application NPM has not been without its critics and the growth of literature both condemning it to varying degrees of obsolescence and proclaiming emergent 'post NPM' administrative forms, such as Public Value Pragmatism, New Public Governance, Public Value Management and Digital Era Governance, has been instructive (Dunleavy, Margetts, Bastow and Tinkler, 2005; Stoker, 2005; Osborne, 2006; Alford and Hughes, 2007). The 'new' administrative approaches share some similarities, particularly in their prescriptions for treating the perceived weaknesses of their antecedents. One area of convergence has been their emphasis on collaborative networks, partnerships and reintegration to replace the governing structures associated with NPM and traditional administration. According to Pollitt (2004), a motive behind 'joining-up' of government - a key policy plank of the Blair administration - was to counter problems of duplication, policy and programme contradictions and the emergence of organizational silos that have been attributed to the fragmenting effects of policies such as disaggregation and devolution.

Following the trends of the British government, whose white paper on *Modernising Government*⁵ in 1999 broadened the scope of the debate on governing the British state, other commonwealth countries such as New Zealand, Australia and Canada have also been active in advancing forms of coordination (Alford and Hughes, 2007; Halligan, 2007). An essential claim of network forms of governance is that in a globalizing world and the environment of complexity and uncertainty this has brought about, states can no longer claim exclusive legitimacy as the locus of public decision-making, by virtue of the outcomes of party political processes (United Nations, 2005). Network type arrangements have, therefore, become necessary for coordinating interactions between increasingly interdependent 'stakeholders' such as governments, the private sector, non-government organizations and other civil society organizations. Osborne (2006:384) asserts that these 'new' administrative regimes recognize "both a plural state, where multiple inter-dependent actors contribute to the delivery of public services and a pluralist state, where multiple processes inform the policy making".

Other commonalities between 'post NPM' forms of governance have been their emphases on outcomes defining governments' interventions, as distinct from the importance given to inputs and outputs by previous models of administration. Stoker (2005) and Alford and Hughes (2007), for example, highlight the pursuit of 'public value', the definition of which is said to extend beyond the standard economic designation of a public good to describe, among

⁵ White Paper. 1999. *Modernising Government*. London: HMSO.

others, a product of deliberations between government and relevant stakeholders. The value of pragmatism has also emerged as a shared feature of the new governance models. In their model of Public Value Pragmatism, Alford and Hughes (2007) argue that both traditional administration and the NPM conformed to 'one best way' thinking. Eschewing strict adherence to any specific managerial devices such as hierarchy and contracting out of services, pragmatism in the procurement of public services has meant determining the managerial tool to be used based upon on considerations of "the nature of the task, the context, and the available technologies and resources" (2007:141)."

2.5 Public Sector Reforms in Developing Countries

The wave of public sector reforms that occurred in the late 1970's and early 1980's was not unique to developed countries. During this period, developing countries also undertook initiatives to transform their public sectors, with some reflecting the reform patterns in the 'leading' reformers of the developed world. Notwithstanding similarities in the types of reforms implemented, the literature points to significant differences in the comparative reform experiences of developed and developing countries. To provide the necessary context for a review of public sector reforms in developing countries, brief reference must be given to the administrations bequeathed by colonial rule. As a great deal of the literature on the post-colonial public sector is focused on sub-Saharan Africa, it follows that this review will reflect that predilection.

With due cognizance of differences in the colonial experiences of African states, especially between the Anglophone, Francophone and Lusophone countries, a common path taken by most states following the surge of decolonizations from the middle of the 20th century was one that placed the state at the centre of development efforts (Balogun, 2001). Sandbrook (1993:22) suggests an historical inevitability about this given various factors, including:

"the interventionist colonial traditions, the national elite's visceral association of capitalism with imperialism...a professed commitment to social equity...and the new state manager's drive for self-aggrandizement".

With the exception of a few countries, colonial administration had largely been intended to serve the narrow interests of the metropolitan power and its functionaries. The ensuing administrative legacy, therefore, was one that, at its most extreme was characterised by

elitism, personal administration, and the lack of a bureaucratic presence in many territories: “imperfect imitations of the Weberian model” (Adamolekun, 2002:374). Referring specifically to sub-Saharan African countries, Ayee (2008) suggests that the new role envisaged for the public sector by the nascent post-colonial regimes was a well-intentioned means of overcoming their developmental deficiencies. Citing Wunsch and Oluwu (1991), he identifies five ‘complementary’ strategies pursued by African leaders:

- “The replacement of competitive politics by one or no-party systems ostensibly dedicated to national unity;
- Reliance upon unified bureaucratic structures exclusively accountable to the central government to define, organize and manage the production of public goods and services along the lines determined at all levels by a ‘national plan’;
- No legitimate significant role be allowed for the for local government, including traditional, ethnically related groups as well as modern institutions of true local government;
- Executive authority be maximized at the expense of such other institutions as the legislature, judiciary, regional governments, and press and private organizations;
- The national budget to be regarded as the primary source of funding for the development agenda, to be raised out of the largest economic sectors: either agriculture or mineral extraction” (Ayee, 2008:5)

The confluence of the foregoing development strategies contributed to the emergence of post-colonial African public sectors that were far removed from the Weberian ideals they had sought to reproduce. What developed in many instances were, in effect, spoils systems that were characterised by inequitable access to government controlled resources such as employment and contracts - often on the basis of religious, regional or ethnic affiliations - patrimonialism, the politicization of the civil service and the extension of state involvement to most spheres of the economy and society (Larbi, 1999; Balogun, 2001; Hope, 2001; Moss, 2007). Occurring in a climate of deteriorating economic conditions that included capital flight, falling commodity prices and high rates of inflation, the governance crises described above impelled most developing countries to seek credit facilities from international financial institutions by the 1980’s (Larbi, 1999:5).

2.5.1 Structural Adjustment Programmes

One area of broad unanimity in the literature on developing countries' public sector reforms is that the public sector reforms that commenced in most developing countries in the early 1980s were shaped to a large extent by the policy-based lending practices effected by the international donor organizations, led by the Bretton Woods institutions of the World Bank and the International Monetary Fund (IMF) (Ayeni, 2002; Bangura and Larbi, 2006; Ayee, 2008). According to Ayee (2008:56) the ostensible aim of the loans was to stabilize the prevailing macro-economic crises. Pursuant to this objective, the general intent of intervention was the minimisation the state's role in the market and the creation of "incentives for a process of resource allocation driven by economics rather than politics" (Hyden, 2006:129). Specific policy reforms demanded of sub-Saharan African countries included the freezing of public service vacancies, removal of exchange controls, privatization of public enterprises and broad cuts to public expenditures.

An awareness of the capacity constraints faced by developing states in undertaking stabilization measures prompted international donor agencies to prescribe a second generation of reforms that is said to have commenced in the 1990s (Hyden, 2006; Ayee, 2008). A notable feature of this phase was the broadening of the reform agenda beyond the narrow focus of the initial economic initiatives. According to the World Bank's World Development Report, *The State in a Changing World* (1997), the scope of the reforms was extended to include a „good governance' agenda, in which reforms to the political context, such as the establishment of multi-party democratic systems of government were given equal priority as those considered economic reforms (Clapham, 1996). Some of the initiatives implemented by developing countries in this period were decentralization, performance management and the contracting out of service delivery (Bangura and Larbi, 2006). According to Ayee (2008) a third phase of public sector reforms in sub-Saharan African countries beginning in the last decade can be discerned. Reform policy issues in this stage have centred on improving public service delivery and accountability, with significant emphasis given to enhancing values such as responsiveness and effectiveness.

2.5.2 Evaluation of Public Sector Reforms in Developing Countries

From the literature surveyed, the general assessments of the implementation and impacts of adjustment-inspired public sector reforms in developing countries have largely been

unfavourable. A persistent criticism of SAPs, and by extension the international development agencies responsible for their dissemination, addresses the ideological nature of the initial prescriptions (Balogun and Mutahaba, 1989; Sandbrook, 1993). The mechanistic application of stabilization and adjustment programmes - underpinned by the neo-liberal orthodoxy - to a diverse range of developing countries, from Eastern European to post-authoritarian Latin American states, betrayed a lack of awareness of the distinct and complex challenges facing different countries and regions (Mkandawire and Soludo, 1999; Batley and Larbi, 2004). Hyden (2006) suggests that the strong advocacy for economic liberalization was not only naïve for ignoring institutional realities, especially in African countries, but generated political opposition to the reforms, perhaps tempering the positive effects they may have had.

Related to the above, significant criticism has also been directed at the politicized manner of adjustment measures. Pender (2001:399), for example, observes the close association of adjustment reforms with “the worldview of Western elites at the end of the Cold War, notably the ascendancy of the UK's Margaret Thatcher, the USA's Ronald Reagan, West Germany's Helmut Kohl and, subsequently [the] 'Washington consensus'”. The implications of the implementation of policies that sought to whittle down the African state at all costs is that while politically expedient for international lenders, they were especially detrimental to states already struggling to provide basic services. The importance of state intervention was made more apparent in light of the successes of East Asian countries, which retained strong interventionist states to complement rather than replace market forces.

In terms of impacts, the reduction of public expenditure in crucial areas such as transport, education and healthcare held adverse consequences for developing states, including welfare and unemployment effects. Measures such as salary freezes and retrenchments, for example, compromised the fragile capacities of civil services by creating discontent and insecurity, and encouraging absenteeism, corruption and hostility towards government by public officials (Balogun and Mutahaba, 1989; Bangura and Larbi, 2006; Ayee, 2008). One lasting effect of the decline in competitiveness of civil service pay, relative to that of the private sector, has been the loss of experienced and qualified professionals in the former, to both the private sector and other countries (Mkandawire and Soludo, 1999). Far from arresting government failure and providing the platform for appreciable, private sector led growth, the initial effects of structural adjustments were detrimental, particularly to the fragile administrative capacities of developing countries.

The advent of private sector practices to developing countries through the funnels of aid and conditionalities has been subject to considerable debate. The extent to which these have been suitable for export to developing countries has been a key point of contention. Minogue (2001) notes that there has been little conclusive evidence to suggest efficiency gains from adjustment related economic reforms. To good or bad effect, adjustment-induced reforms have played a central role in redefining the public sector in developing countries. From an initially narrow emphasis on attaining fiscal stability and freeing market forces, the reforms have broadened in scope to prioritize issues of public sector performance and poverty alleviation. Given the wide variety of reform measures undertaken by developing countries under the auspices of international financial institutions and donors, it is worth examining in closer detail, some of the more recurrent themes.

2.5.2.1 Privatization

Privatization has been a commonly used policy device for reformers seeking to reduce their expenditures and, particularly in developing countries, rid the public sector of the extensive corruption and bureaucratic management with which their public enterprises have long been associated (Hope, 2001:126).

While early efforts of privatization in Africa date back to 1960, when the government of Côte D'Ivoire undertook a water concession agreement with French company, SAUR, more intensive attempts commenced in the late 1980s with the support of the international donor community (Berthélemy *et al.*, 2004). The initial stages of privatization in developing countries, particularly those in sub-Saharan Africa, was modest and early candidates for reform included relatively small services enterprises involved in waste collection, road maintenance, security and hospital cleaning (Batley and Larbi, 2004:129). The findings of a World Bank policy research report, *Bureaucrats in Business: the Economics and Politics of Government Ownership* (1995:27), support this view by pointing out that privatization levels in Sub-Saharan Africa between 1980-87 to 1988-1993 were lower than any other developing region, with transactions increasing from 210 to 254 in the thirteen year period compared with 108 to 367 in Asia and 136 to 561 in Latin America.

According to the Berthélemy *et al.* (2004) the mid 1990s witnessed a peak in the number of privatization transactions in sub-Saharan African countries. One factor attributed to this is the

shift in priority from the initial reforms focused on stabilization to those that emphasised broader administrative transformations that included reforms to public enterprises (2004:27). The gradual decline of transactions after the mid 1990s was followed by a sharp rise in the proceeds from privatization transactions. Berthélemy *et al.*, (2004:28) account for this 'peculiar sequencing' by suggesting that:

“the first privatizations were numerous but yielded relatively little in the way of proceeds. In contrast, when it came to privatisation of utilities and strategic sectors of the economy, the process slowed down in terms of numbers but, initially at least, brought higher proceeds.”

Despite the growth in privatization activity in the early 1990s, relative to developed countries the presence of state owned enterprises in developing economies has remained high and, where privatized, organizations have frequently raised service costs to the detriment of recipients (McCourt and Minogue, 2001; Bangura and Larbi, 2006; Kikeri and Burman, 2007). Cook (2001:156) points to various factors that have impeded the effective implementation of privatization in developing countries including imperfectly developed markets and the lack of regulatory capacity. Concerning the latter, Bayliss and Fine (2008:49 - 51) argue that poor legislative frameworks, the weak technical skills of government regulators and negotiators and the politicization of regulatory interventions have contributed to poor oversight of newly privatized companies. Given their difficulties with achieving full-scale privatization, many governments in sub-Saharan African countries have subsequently turned to reforms such as commercialization and regulation as the means to facilitating the ends of private sector entry into their economies in the long term (Bayliss and Fine, 2008:91).

Berthélemy *et al.* (2004:43) suggest that the most common method of privatization used in sub-Saharan Africa by 2002 was the competitive sale of shares or assets and liquidations. Other forms of privatizations used have been leases, management contracts, joint ventures and concessions. At the sectoral level, management contracts have been used most frequently for electricity and water utilities, yet even with these, significant difficulties have been experienced especially with long-term contracts. This is attested by the number of major privatization contracts that have either been terminated or are in mediation. Bayliss and Fine (2008:99) contend that this applies to three out of seven electricity privatization contracts and three of four joint water and electricity contractual arrangements. Notable examples of these include a 30-year concession contract for combined water and electricity delivery in Chad that was terminated after 5 years in 2005, and Tanzania's lease contract agreement in the

water sector, terminated after 18 months (2008:97).

The general assessment of privatization in developing countries from the literature reviewed is that it has proved difficult, and where achieved, has imposed onerous requirements that have had significant adverse social effects. A common predicament for governments ultimately accountable to their citizens for the delivery of services such as water and electricity has been balancing the commercial imperatives that drive private sector provision and broader social and political objectives. General condemnation has been directed to governments, who have often seemed eager to prioritize the needs of the private sector, at the expense of citizens who are among the poorest and have among the lowest access to basic services in the world (McDonald and Ruiters, 2005; Bayliss and Fine, 2008).

2.5.2.2 Performance Management

The development of performance-based forms of accountability has been common to the endeavours of reforming countries in the last three decades. Performance management regimes have been put in place to elicit improvements in the performances of public sector organizations and employees.

The literature reviewed indicates that a number of developing countries have implemented performance management reforms on some level. In sub-Saharan Africa, prominent reformers in this regard include Botswana, Ghana, South Africa and Uganda. The latter introduced organizational level reforms in the early 1990s through its Results Oriented Management system (ROM). The main thrusts of ROM were the introduction of a performance management culture and strategic planning orientation. These were to be achieved through, among other things, the establishment of organizational mission and key objectives and the development of performance indicators and information systems to provide political heads with mechanisms to monitor and evaluate performance (Byarugaba, 2006; Larbi, 2006). With its 1997 White Paper on the Transforming Public Service Delivery (*Batho Pele*), South Africa has also made significant attempts to improve service delivery. A notable example has been the introduction of performance contracting for selected public service positions at the individual level. In addition, legislations such as the Public Service Law Amendment Act of 1997 and the Public Service Regulation 1999/ 2001 have introduced performance contracting for senior civil servants and directors general (Kuye, 2006).

Although performance management has held much appeal for reforming developing countries, particularly at the level of rhetoric, its implementation, especially in sub-Saharan Africa has tended to be incomplete (Kiragu and Mutahaba, 2006). Larbi (1999) maintains that the effective implementation of performance management frameworks has often been hampered by, among other things, limited managerial discretion, the unpredictability of budgets and lack of skilled and motivated personnel at ministerial and district level. Drawing on studies by Mallon (1995), the World Bank (1995), Shirley and Xu (1997), Larbi (1999:25- 26) notes the general absence of certain 'preconditions' in developing countries that are necessary for effective performance management. These include:

- “the need for governments (as principals) to state explicitly their objectives, prioritize them and translate into performance improvement targets;
- reliable and functional managerial information systems in place to enable management by results; and,
- the need for effective and competent monitoring agencies with skilled personnel.”

The lack of sustained commitment to reforms from political and administrative leaders has been an important factor in the general inability by developing countries to establish the requisite conditions for successful performance management. Uganda's Results-Oriented Management (ROM) is cited as an example of an approach to performance management that has remained largely rhetorical due to the lack of understanding and support given to it by political leaders (McCourt and Minogue, 2001; Kiragu and Mutahaba, 2006). Challenges have also emerged in the installation of new staff appraisal systems. In the case of Zambia, the Annual Performance Appraisal System that was intended to complement the performance management system has been underutilised, resulting in, according to Bwalya (2006:252) about a third (33.8) of public workers reporting not being subjected to performance evaluations and 65% not receiving performance targets.

The literature reveals that performance management remains a work in progress in many sub-Saharan African countries. A common problem, even to developed countries, has been the establishment of adequate measures of performance. The lack of resources for practical exercises such as the training of public servants and, though contentious, the establishment of

performance-pay schemes, has also provided some significant challenges. So too has been the retention and use of strong elements of bureaucratic administration alongside new administrative techniques (Manning, 2001:300). The persistence of many African, Asian and Latin American countries with personnel systems that tie promotions to seniority or examinations, and the centralization of recruitment controls, as happened in Uganda, for example, have hindered the development of a reform measure that requires some degree of managerial autonomy over resources (Polidano, 2001:51-52).

2.5.2.3 Good Governance Reforms

The seemingly ubiquitous public sector transformations of recent decades have not been driven solely by economic concerns. In most developing countries, the need to improve various aspects of governance has added impetus to their reform programmes. At the insistence of international finance institutions and other donors eager to see more effective use of their development assistance, the past two decades have witnessed the incorporation of a ‘good governance’ dimension to the reform agendas of many countries (Ayee, 2002; Economic Commission for Africa, 2005; Kiragu and Mutahaba, 2006). Although there is not a single accepted definition of what constitutes good governance, a useful summation of its key precepts is provided by Larbi (1999:10) who, taking the World Bank’s (1992) conception identifies it as comprising:

- “the need for effective financial and human resource management through improved budgeting, accounting and reporting, and rooting out inefficiency particularly in public enterprises;
- accountability in public services, including effective accounting, auditing and decentralization, and generally making public officials responsible for their actions and responsive to consumers;
- a predictable legal framework with rules known in advance; a reliable and independent judiciary and law enforcement mechanisms; and
- availability of information and transparency in order to enhance policy analysis, promote public debate and reduce the risk of corruption.”

A notable feature of the foregoing description of good governance is the recognition of the importance of effective institutions in the political, administrative, judicial and economic spheres of the state for development. An institution integral to the pursuit of these objectives

on the African continent has been the New Partnership for African Development (NEPAD). Established in 2001 as an economic development initiative of the African Union (AU) and with the support of the international donor community, NEPAD emphasizes various governance initiatives, key among them being an economic and corporate governance initiative. Falling within this thematic area is the African Peer Review Mechanism (APRM), which serves as the central instrument for monitoring and assessing the adherence of states to the principles of good governance embraced by the AU and NEPAD (Akopari, 2004). Key areas of focus include democracy and political governance, economic governance and management, corporate governance and socio-economic development. Participation in the APRM is open to all African countries on a voluntary basis, the purpose of which is to

“foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs of capacity building” (NEPAD Secretariat, 2003:2).

To accomplish these goals member states are compelled to adopt certain standards and indicators through which progress can be monitored and assessed. Since its introduction in 2003, 30 African countries have acceded to the APRM, with 14 member countries having undertaken self-assessments between January 2006 and January 2011 (NEPAD, 2011:1).⁶ Although the APRM is still less than a decade old, the literature reveals that some progress towards good governance has been made by those countries that are party to the process and are subsequently implementing the recommended reforms in their Programmes of Actions. In the case of Ghana, for example, to counter issues of corruption and money laundering the government has instituted a variety of reforms including a whistleblowers act and a foreign exchange bill. In the wake of its review process from 2004 to 2006, Kenya has instituted legislation on witness protection and public procurement, while Rwanda has undertaken reforms to its business environment to relatively good effect with governance indicators showing progress made “in terms of control of corruption, government effectiveness and transparency of the regulatory networks” (Chêne, 2009:7-8).

Despite some noteworthy achievements, the APRM continues to encounter some obstacles in engendering good governance on the continent. Given the politically sensitive nature of the

⁶ Countries that have undergone peer reviews are: Ghana, Rwanda, Kenya, South Africa, Algeria, Benin, Uganda, Nigeria, Burkina Faso, Mali, Mozambique, Lesotho, Mauritius and Ethiopia.

process, it has lent itself in some countries to political manipulation to the detriment of civil society participation. Tindifa and Luutu (2011) suggest, for example, that the independence of Uganda's APRM Commission has been tainted by general perceptions that it was comprised in the main by supporters of the ruling party: yet another manifestation of 'presidentialism'. The effectiveness of the APRM apparatus is also diminished by its lack of "definite elements of compulsion" (Akokpari, 2003:14). This is evident by the number of countries not signatory to the process, among which are those most in need of good governance reforms, including Swaziland and Zimbabwe. Other challenges facing the APRM include operational challenges, lack of progress monitoring and the lack of understanding of the process (Akokpari, 2003; Chêne, 2009).

Summary

This literature review has reviewed a wide array of scholarly contributions to the field of public sector reforms, paying special attention to recent developments. Important influences of these reforms have been NPM ideas which, as identified in the review, have comprised economic theories of organization and private sector managerialist techniques and practices. The examination of public sector reforms in developing countries provides a background context for the following chapter, which will introduce Botswana.

CHAPTER THREE

Botswana's Reform Context

3.0 Introduction

This chapter will outline key aspects of Botswana's governance architecture in order to present the systems, processes and rules within which public sector reforms in the country have occurred. In view of this goal, the chapter will first provide a brief profile of the country. This will be followed by a delineation of its constitutional framework, which gives legal mandate to Botswana's institutions, notably the legislature, the executive and the judiciary. Following this will be an examination of the driving forces behind the country's public sector reforms and the introduction of the three initiatives to be examined in the following chapter: the performance management systems, privatization and anti-corruption reforms.

3.1 Botswana: A Profile

The Republic of Botswana is a landlocked country in southern Africa bordered to the north, east, south and west by Zambia, Zimbabwe, South Africa and Namibia, respectively. Formerly a protectorate of the British Empire, the country gained its independence in 1966. The written constitution of the Republic, which came into effect a year before its full independence, provides the legislative framework by which the state is governed. A prominent provision in The Constitution of Botswana (1965) is the Bill of Rights (Chapter II), which enshrines the fundamental rights and freedoms of the individual, including freedom of expression, freedom of the press and the protection of the right to personal liberty, amongst others.

As is common among parliamentary democracies, the constitution of Botswana recognises three distinct spheres of the state that are dealt with under separate provisions: parliament, the executive and the judiciary. According to section 57 of the constitution, the Parliament of Botswana consists of the President and a National Assembly, with 57 members of the latter elected directly from parliamentary constituencies and a further four serving as Specially Elected Members. The primary function of parliament is "to make laws for the peace, order and good government of Botswana" (Republic of Botswana, 1966: ss86). A second branch of

the state is the Executive, over which the President presides. The Executive branch of government comprises of the Vice-President, Cabinet Ministers and their Assistant Ministers, and permanent secretaries. The last branch of the Botswana government is the Judiciary, at the apex of which is the Chief Justice, and whose institutions include the Court of Appeal, High Courts, Magistrates and Customary Courts.

The ninth National Development Plan (NDP 9) (Republic of Botswana, 2003) describes Botswana's public sector as comprising principally of four components, each with administering agencies vested with statutory responsibilities. First, the Local Government Service consists of local authorities such as Land Boards and District Development Committees and is governed by the Department of Local Government Service Management (DLGSM). The DLGSM has legislative responsibility for among other things, the administration of human resource management policies for the local authorities. A second component is the Teaching Service, which is governed by the Teaching Service Management, and a third is the Public Enterprises Sector, which is overseen by the Public Enterprises Monitoring Unit (PEMU) and the Public Enterprises and Evaluation Privatization Agency (PEEPA).

The Public Service represents the fourth component of Botswana's public sector and comprises all the ministries and independent departments of central government. As the largest and according to its constituent institutions, most important component of the public sector, the administrative locus of the public service is the Department of Public Service Management (DPSM), which is presided over by the Permanent Secretary to the President (PSP) in the Ministry of the State President. The DPSM duly derives its statutory responsibilities from the Public Service Act⁷ and as such, has three primary roles (Republic of Botswana, 2003:365):

- “To provide a stable, reliable and impartial public service to the government of the day;
- To increase the efficiency and effectiveness of the government by providing quality human resource input, so that the government's multifarious services to the public, and its national development activities are implemented;

⁷ This has been amended as of May 1, 2010.

- To effectively manage the public service within the framework of good service to the public, concern for the welfare of employees, adherence to the Public Service Act and attainment of the national social economic development objectives.”

3.2 Public Sector Reform in Botswana

In the context of sub-Saharan African countries, Botswana is considered by various accounts, as an exception (Harvey and Lewis, 1990; Adamolekun and Morgan, 1999; Taylor, 2002; Clover, 2003). Even a superficial analysis of its development trajectory since independence reveals a state that has, relative to other developing countries, effectively directed development and, though largely mineral dependent, has avoided the ‘resource curse’ that has blighted many others with mineral resource abundance. Without aiming to provide a deluge of ‘rags to riches statistical information’, it is worth providing some key economic indicators to underline relative the exceptionality of the country’s post-colonial development (Mogalakwe, 2003).

From a negligible inheritance at independence, meagre even by colonial standards, Botswana’s has managed to improve its status from a principally agrarian economy among the poorest in the world to upper-middle income classification (Harvey and Lewis, 1990; Taylor, 2002; Kaunda, 2005). Hope (2002: 2) estimates that Real GDP grew by more than 9 percent annually between 1975-76 and 1994-98, with the country recording the fastest rate of economic growth in the world, at an average rate of 8.2 percent per annum, in the three decades after its independence. When expressed at 1993/94 constant prices, the country’s GDP per capita (Pula) increased by 70 per cent between 1966 and 1975/76, from 1,682 to 2,861.9. In the decade between 1975/76 and 1985/86, GDP per capita grew by a further 80 per cent to 5,175.0 and 89 per cent in the 15 year period to 2000/01 (Republic of Botswana, 2003:29). Other indicators of economic progress include the growth of the national budget from under \$3 million in 1966 to \$3 billion by 2004; the growth of exports from \$2 million to \$2 billion within the same period, as well as tenfold growth of formal sector employment to just under 300, 000 (Mogae, 2005:2-3). In terms of social indicators, significant advances have been recorded in the provision of access to basic services, including clean water provision, primary and secondary school enrolments, adult literacy rates and social safety nets (Republic of Botswana, 1991; Clover, 2003).

Various authors have explored the critical factors behind Botswana's noteworthy socio-economic performance since independence and their exhaustive treatment would warrant a great deal more space than is available. Although the country's natural resource wealth, derived in the main from diamond mining, is a commonly cited source, it alone has limited explanatory power. Other conjectures have pointed to the early development of good policies, such as the multi-year National Development Plans; the pragmatic leadership of the early political and bureaucratic elites, evidenced, for example, by the skilful and successful negotiations of higher revenues and shareholding with the Southern African Customs Union and the De Beers Corporation in 1969 and 1975, respectively; and the considerable extent of ethnic homogeneity in the country's demographics (Harvey and Lewis, 1990; Good, 1992; Tsie, 1996; Taylor, 2002; Leith, 2005). Acemoglu, Johnson and Robinson (2001) also highlight pre-colonial forms of political organization that, largely undisturbed by colonial rule, have informed the political institutional arrangements for which the country has been lauded. This is a sentiment echoed by Harvey and Lewis (1990), who include a long tradition of popular participation, demonstrated through the traditional *Kgotla* system, as among the foundations for the sound policies adopted and pursued by the Botswana government.

Notwithstanding the foregoing, beneath the veneer of Botswana's vaunted exceptionalism were several shortcomings that tempted reassessments of its uniqueness from some observers (Good, 1992). Despite the existence of administrative reforms intended to optimise institutional capacity and engender effectiveness and efficiency in the delivery of services, including the Organization and Methods and Job Evaluation programmes, significant challenges persisted. As the primary instrument in the execution of its policies, the efficient management of the public service has long preoccupied public policy discourse in Botswana. Concerns about its effectiveness and efficiency were not only raised, as would be expected, by the recipients of public goods and services, but also by high-level office bearers. The frequent reference to and prioritisation of public sector efficiency in successive official publications such as National Development Plans, Budget Speeches and State of the Nation Addresses are instructive in this regard (Hope, 2002; Kaunda, 2005). Some of the more searing indictments of Botswana's public service included charges of:

- Perceptions of insensitivity towards citizens, the lack of accountability and recourse;

- Lack of effective planning and management at ministerial and departmental levels, resulting in non-completion of projects and budget overruns;
- The creation of unnecessary posts in ministries and departments because of ineffective human resource management (Dzimhiri, 2008).

Central to enhancing public sector performance was labour productivity, which was by all accounts regarded as low. Although Hope (2002) partly attributes this to the difficulty of evaluating production in the public sector, he suggests that Botswana had a productivity dilemma: a failure to transition from a producer to a customer-oriented conception of productivity. That is, one that linked productivity to quality as defined by the customers of government agencies, rather than as merely a “mechanistic process of converting inputs into outputs” (Hope, 2002:25). There is a sense that personnel management in Botswana’s public sector was equally ineffective and inefficient, with staff reduced to routine operations with limited task autonomy. This, unsurprisingly, was borne out in problems such as “absenteeism, lateness at work, poor public relations and outright failure to implement Government policies and programs” (Republic of Botswana, 1997a:454).

Compounding the problems of service delivery were shortages in skilled personnel in high-level areas, as consequence of the government’s inability to attract and retain critical skills. Hope (1995) attributes this to economic progress, which created avenues that were more lucrative for skilled Botswana in non-governmental sectors and the declining prestige of public sector employment. The relatively large complement of expatriate personnel holding permanent, pensionable and often senior positions in the public sector after two decades of independence was popularly attributed to government lethargy in developing an indigenous work force for the public service (Hope, 1995).

The size and scope of Botswana’s public sector were also identified as obstacles to its effectiveness and efficiency. The dearth of physical and social infrastructure at independence left the government with little choice but to greatly extend its intervention in socio-economic development. The consequence of this is that

“over time, government provision of goods and services has created high barriers to entry for the private sector and has become part of the problem rather than part of the solution. Furthermore, lack of focus has over-extended government implementation capacity and undermined quality in basic public services such

as health and education” (Nordås and Gergis, 2000:9).

The implication from the foregoing is that the extension of the bureaucracy into social and economic activities such as refuse collection, building and maintenance services, publishing and financial institutions - and often free or at subsidized prices or under monopoly conditions - crowded-out private enterprises that may have provided the goods and services more effectively and efficiently (Republic of Botswana, 1991). This had particularly adverse effects for the achievement of other policy targets, such as attracting foreign investment, international competitiveness and sustainable economic diversification away from the dominant minerals sector. The Economist Intelligence Unit’s Country Report on Botswana (2005: 8), attributes the failure of the country’s efforts to establish some manufacturing capacity, notably the brief rise and collapse of its motor vehicle assembly plant in part, to ‘excessive bureaucracy’.

The above makes apparent that prior to its second wave of reforms, a principal challenge for Botswana’s public service was that of achieving efficiency in its delivery of services. In response to the issues outlined above, and also to the transformations occurring within and beyond the country’s borders, in collaboration with a wide range of stakeholders government convened a Presidential Task Group in 1997 to formulate an overarching development strategy for the country to “guide national development planning [and] take stock of the achievements on national aspirations set at the time of independence” (Nkhwa, 2003:3). The resultant strategy document, titled *Vision 2016 – a Long Term Vision for Botswana: towards Prosperity for All* delineates a vision of Botswana of Botswana’s socio-economic wellbeing in the year 2016 – the date’s significance being that it will mark the country’s 50th year of independence. The *Vision 2016* document identifies seven ‘pillars’ or objectives, which are to be achieved by the set date. These are that Botswana will be:

- An Educated, Informed Nation
- A prosperous, productive and innovative nation
- A compassionate, just and caring nation
- A safe and secure nation
- An open, democratic and accountable nation
- A moral and tolerant nation
- A united nation (Republic of Botswana, 1997b:1).

A noteworthy feature of the *Vision 2016* strategy is that identifies the reform of the public service as “central to the realization of the vision” (Republic of Botswana, 1997b:30). As the guiding frameworks for service delivery, the National Development Plans were to be aligned to the strategic objectives outlined in the *Vision*.

A recurrent feature of Botswana’s post-independence development has been concerted attempts by the country’s government to improve its public service through the incremental application of institutional and administrative reforms. Some useful conclusions about these early reforms may be drawn. Firstly, an important observation to be made is that owing to the factors identified above, including significant mineral resource revenues and development oriented policy choices, Botswana was able to avoid the kind of reliance on foreign aid that culminated in the policy-based lending arrangements to which many developing countries were tied in the 1980s. Implied by the above is that Botswana has had considerable autonomy in setting the design and pace of its reforms to identified policy issues, with the influence of external actors being secondary (Simwanza and Samaratunge, 2010). That it has also been a de facto one-party state since this period has undoubtedly been a facilitative factor in its reform endeavours.

Another point worth underlining is that previous interventions were considered to be *ad-hoc* and fragmented in nature: dealing with specific aspects and problems of departments and ministries (Republic of Botswana, 1999). Corkery *et al.* (1998:99) support this point in their observation that “in the past, while the target and focus for reforms have been specified, programmes have been allowed to be misdirected and delayed.” As a result, it is worth noting that although useful to some extent, these reforms were popularly perceived as ineffective in addressing systemic problems such as low productivity and poor service delivery. At this point, it is worth looking in closer detail at the backgrounds to Botswana’s recent public sector reform initiatives.

3.2.1 Performance Management

In view of the popular disaffection with the public service and the concordant findings of an evaluation of public service performance and previous reforms by the consultancy group, Academy for Educational Development (AED), the government of Botswana identified the need for a “new way of carrying out public service and Government business” (Republic of Botswana, 1999:4). Based on the recommendations of the AED report, the Performance

Management System (PMS) was chosen as an appropriate strategy to meet the residual challenges facing the public service. Following an initial pilot phase involving two ministries (The Ministries of Labour and Home Affairs), full installation of the PMS in the public service began in 1999 and was completed in 2004.

Published in July 1999, the PMS Philosophy Document signaled the Botswana government's intention to break with previous methods of administration and institute a new 'holistic' and integrative management framework for the public service. The document provided, as a first step in motivating for the new vision of the public service, an account of government's interventions to date. Despite some admirable successes a crucial limitation of earlier initiatives like the Work Improvement Teams (WITS) and the Organization and Methods (O&M) programme was weak planning at organizational and departmental levels. In view of this and other challenges facing the public service at the time, including inefficiency and perceptions of insensitivity to citizens, PMS along with other reforms such as decentralization and the computerization of personnel management systems (CPMS) were deemed appropriate means to the desired ends of improved productivity, efficiency and quality in service delivery provision to the public (Republic of Botswana, 1999). PMS has sought to deliver on this need by engendering performance planning into the work culture of public service organizations and their officers. In particular, it envisages a public service that "delivers on set and agreed plans, improves and sustains productivity at all levels, and inculcates a culture of performance, accountability and focus on results or outputs" (Republic of Botswana, 1999:5).

Among the stated implications for the PMS, it was expected to subsume previous initiatives like restructuring, reengineering and the Work Improvement Teams Strategy (WITS) into a coherent and holistic framework for performance improvement in the public service. Taking the WITS as an example, its role as a problem solving mechanism would provide an avenue for pre-empting any problems arising from PMS inspired-strategic goals and would be consistent with PMS's emphasis on a consultative and collective approach at all levels of the organization towards the achievement of objectives (Republic of Botswana, 1999). To advance performance targets, PMS would mandate the provision of clearly defined objectives and standards for individuals, teams, departments and ministries for alignment with broader public service performance expectations (Republic of Botswana, 1999).

According to the PMS Philosophy (1999), the initiative would also make provisions for various groups including the ‘customer’ (citizens), ministries and departments, public servants employees and the country. The document highlights as among the various benefits to be gained by customers from its implementation: responsive services, regular feedback and interactions with ministries and value for money (Republic of Botswana, 1999). Public servants were to gain, among other things, objective performance appraisals guided by quarterly performance reviews. Central to this would be a performance-based rewards systems (PBRs) which would align performance and rewards to encourage continuous performance improvement. Other support tools for Botswana’s performance management architecture would include Balanced Score Card (BSC) and employment contracts for senior civil servants. Ministries and departments, for their part, would be expected to develop vision and mission statements “with achievable goals and objectives, key performance and results areas, set standards and objective strategic measures” (Republic of Botswana, 1999:8) with managers responsible for assuming leadership for the change process.

3.2.2 Privatization

At the time of independence in 1966, the government of Botswana was compelled to take up a prominent role in the development of the country because of the absence of public infrastructure. Due chiefly to colonial neglect, itself a consequence of political uncertainties over the future of the then protectorate, poor climatic conditions and an apparent deficiency of natural resources, the country had no industrial base. The private sector was equally undeveloped, with formal economic activities limited to pastoral farming, an abattoir, a tannery and a soap factory (Jefferis, 1998; Kaunda, 1999). Faced with this situation, the government assumed responsibility for the provision of basic services; a process achieved in three main ways:

- “The establishment of public enterprises or parastatals by Acts of Parliament
- Indirectly through Government’s investment arm, the Botswana Development Corporation (BDC)
- Through the creation of departments that performed tasks, which in most developed economies, would be predominantly performed by the private sector, such as the Central Transport Organization” (Republic of Botswana, 2000:4).

The public enterprises established by the state after independence can be classified into four broad categories: utilities, transport, agriculture and financial institutions (Jefferis, 1998). Included among these are the Botswana Power Corporation (BPC), Botswana Housing Corporation (BHC), Botswana Development Corporation (BDC), Botswana Agricultural Marketing Board (BAMB) and the national airline, Air Botswana.

An assessment of the number of public enterprises and the breadth of their activities in Botswana's economy since independence reveals them to be limited, compared to their sizes and roles in other African states. Taking their contribution to Gross Domestic Product (GDP) as a measure, in 1991 Botswana's public enterprises accounted for around 6% of GDP compared to an average of 17% in other African countries (Jefferis, 1998; Leith, 2003). One explanation for this could be the policy of widespread nationalization of private enterprises pursued by many developing countries shortly after their independence. Botswana, as alluded to above, did not have a private sector and thus no basis on which to launch such a policy. The government also avoided direct participation in key sectors such as manufacturing, as done elsewhere on the continent, opting rather to facilitate the growth of the industry through the creation of development banks, "public utilities, transport enterprises and an agricultural marketing board" (Republic of Botswana, 2000:4).

Underpinning the above is an important distinction between Botswana and many developing (African) countries. While several developed countries were inclined to socialist-oriented development strategies at independence, Botswana, comparatively late to independence and perhaps aware of the problems experienced by its forerunners, pursued a more pragmatic and ideologically neutral course that actively encouraged private sector development (Edge and Lekorwe, 1999). The prominent role of the BDC in economic development is testament to this. Founded in 1971 as a venture capital company, the mandate of the organization has been to foster greater private sector and citizen participation in the economy by providing assistance for the establishment and development of commercially viable businesses, principally in non-mining sectors such as agriculture and industry (Kaunda, 1999; BDC, 2011). Upon their maturation and success, the organization would then divest from ventures "with the aim of raising capital for future investment, encouraging competition, diversification and citizen participation in private business" (Kaunda, 2004).

3.2.3 Anti-Corruption Reforms

A reputation for good governance notwithstanding, Botswana has not been immune to bureaucratic corruption. Though not endemic in its proportions, several high profile incidents in the early 1990s brought to surface what appeared to be a burgeoning culture of public mismanagement and malfeasance. Among the various cases that achieved publicity (prompting Presidential Commissions of Inquiry) and underscored the gravity of the problem included: tender irregularities in the supply of teaching materials to primary schools, illicit land sales in peri-urban villages near Gaborone, gross mismanagement and fraud at the Botswana Housing Corporation (BHC) and the near-bankruptcy of the National Development Bank from government micro-management and unserviced loans (Good, 1994; Hope, 2002). A worrying trend was that prominent in most of those cases was the complicity of political and bureaucratic elites.

To stem what appeared to be a tide of corruption in the early 1990s the government established a permanent body to deal with issues of corruption and economic crime, which had hitherto been the responsibility of the Botswana Police Service through the Penal Code. Modelled after Hong Kong's Independent Commission Against Corruption (ICAC), the Directorate of Corruption and Economic Crime (DCEC) was created in 1994 and derives its legislative authority principally from the Corruption and Economic Crime Act No. 13 of 1994 (Oluwu, 1999; Katlholo, 2004).

Summary

This chapter has outlined the constitutional and administrative frameworks within which Botswana's public sector operates. More importantly, it has given the motives for the key second generation public sector reforms in the country, namely PMS, privatization and the anti-corruption institution, the DCEC.

CHAPTER FOUR

Findings and Analysis

4.0 Introduction

The previous chapter introduced the governance structure of Botswana and provided the background, including the rationale, for the second phase of public sector transformations in the country. This chapter will examine in closer detail the implementation of three public sector reforms undertaken in Botswana, being PMS, privatization and anti-corruption reforms. In addition to this, it will present the findings of the study with regard to the effects these initiatives have had on the specific challenges that they have sought to address.

Overview

According to Pollitt and Bouckaert (2003), one of the challenges confronting comprehensive evaluation of public management reforms, to which even some of the more advanced reformers like New Zealand, Canada and the United Kingdom have succumbed, is the dearth of key data. Common to these and other countries is that “many – probably most – major reform programmes have been announced and implemented without any plans for systematic and independent evaluation in place” (Pollitt and Bouckaert, 2003:15). Although performance management as practiced in Botswana has undergone various reviews and evaluations both during and subsequent to its installation in 2004, a crucial limitation of these has been the absence of quantitative baseline data, for both individual and organizational performance, from which to draw ‘before and after’ comparisons of interventions. The government has relied instead upon a combination of anecdotal information and a situational analysis introduced two years into the implementation of the programme. The unfortunate implication of this lack of reliable data for the evaluation of performance management in Botswana’s public service is a lack of demonstrable certainty of the effects of intervention.

From the various evaluations of performance management in Botswana’s public sector the results of three of the most recent assessments commissioned by the Government, the Botswana PMS Evaluation Report of 2005 (from here, the Evaluation Report), the Customer Satisfaction Survey for the Public Service of 2005 and to a lesser extent and the Public Sector

Reform Unit's Customer Satisfaction and Staff Perception Survey of 2008, will primarily be relied upon for assistance in assessing the extent to which the implementation of the PMS in Botswana has made an appreciable difference to public service quality and delivery in the country. A point worth noting about the Evaluation Report and the surveys is that they were conducted a few years after the introduction of the programme. The implication is that although they present interesting findings, particularly on the benefits that performance management has brought to Botswana's public service, they represent early and therefore, largely inconclusive insight for what was intended to be an evolving and long-term process.

4.1 Performance Management Systems

4.1.1 Implementation framework for PMS

Central to the implementation of performance management in Botswana's public service has been the reliance on certain institutional structures and tools to facilitate its management. Included among these are the performance improvement committee (PIC Force), ministerial performance improvement committee (MPIC), Directorate of Public Service Management (DPSM) and the Botswana National Productivity Centre (BNPC). At the apex of the institutional framework to administer the PMS is the PIC Force, which comprises all Permanent Secretaries (Directors General), Heads of Independent Departments and the Public Sector Reform Unit (PSRU). Chaired by the Permanent Secretary to the President (PSP), the forum plays a leading role in driving the PMS initiative in Botswana's public service and provides an forum for Permanent Secretaries, who are responsible for creating enabling conditions for reform initiatives in their Ministries, to liaise over implementation problems, progress and experiences (Republic of Botswana, 2005a; Dzimbiri, 2008).

The MPICs consist of the Permanent Secretaries, Heads of Departments and Performance Improvement Coordinators (PICs) of each ministry. Despite operating at the ministerial level, the MPIC plays a similar role to the PIC-Force: the management of public service reform activities within ministries and departments. Two other salient elements of the institutional framework of PMS are the Departmental Performance Improvement Committee (DPIC) and Performance Improvement Coordinators (PICs). The former is a subdivision of the MPIC and its membership includes department directors and unit or section heads. The role of DPICs is to manage the public sector reform process in the departments. PICs are officers appointed at D1 level and are responsible for, among other things, the coordination and monitoring of

PMS in each ministry, for which quarterly reports and briefings are produced and presented to the Permanent Secretary and the Minister (Republic of Botswana, 2005a; Dzimbiri, 2008).

4.1.2 Impact of Performance Management Systems

Of the benefits to Botswana's public service derived from the introduction of the PMS, the establishment of a culture of planning and strategically driven actions are deemed foremost in the Evaluation Report (2005: VI). The report indicates that the planning agenda introduced by the PMS has led to increased results orientation and customer service focus in the public service because of the use of more disciplined tools for measuring and monitoring performance. Some of the critical outputs of the PMS in this regard have been the Ministerial and Departmental Strategic Plans, and the performance agreements and performance development plans that, at least at a conceptual level, have provided the foundations for procedural rationality in the planning for, and monitoring and review of performance in Botswana's public service. Some of the outcomes brought about by the PMS and cited in the Evaluation Report include:

- The introduction of a culture of planning and strategically driven actions
- The emergence of a culture of consultation and team work
- Recognition of the importance of measurement and the performance management process
- Emergence of stakeholder and customer focus
- Leadership driven transformation (Republic of Botswana, 2005a:VII)

Notwithstanding the positive transformations highlighted above, there are significant obstacles to the implementation of the PMS in Botswana's public service. At the level of implementation, considerable difficulties have been encountered in synchronising ministerial strategic planning to the country's broader macroeconomic plans, namely the National *Vision 2016* strategy and the National Development Plan (NDP). The Evaluation Report (2005a:15) found that although a clear description of the desired destination for the country is provided by the Vision strategy, it fails to gain expression in the form of tangible delivery targets and milestones in the macro-economic level plan, NDP 9. The consequence has been a general disregard for the NDP strategy in Ministerial strategic plans and only cursory allusions to the Vision strategy pillars. This tenuous

connection between the PMS-driven ministerial strategic plans and *Vision 2016* strategy is particularly problematic because “the primary rationale and ‘raison d’être’ for the implementation of PMS in the public service of Botswana is the realisation of the aspirations of the very National Vision” (Republic of Botswana, 2005a:16).

According to the PMS Philosophy (1999), Annual Performance Plans (APPs) were intended to provide operational guidelines for ministries and departments to assist in the delivery of the broader strategic aims of the National Vision. In addition, the Philosophy (1999:5) envisaged that Ministries would “also be able to objectively justify their budget and funding requirements mostly emanating from the Annual Performance Plans.” This implies that outputs identified in the APPs were meant to precede the budgeting process. The Evaluation Report’s findings are that rather than APP outcomes determining the budgeting process in a coherent ‘PMS driven budgeting system’, budgeting remains largely independent of ministerial operational plans (2005a:20). This indicates that although there has been a commitment to engendering a performance ethos into Botswana’s public sector, as evidenced by operational planning, for example, the progression from inputs to outcomes orientation has remained a challenge.

Individual performance monitoring and review, and associated recording tools, such as the indicators and benchmarks with which to measure them, form central components of the PMS Philosophy (1999). Ministries and Departments have encountered difficulties in establishing quantifiable performance measures at senior and junior levels of employment. At senior levels, for example, there is a tendency among Permanent Secretaries of opting for projects and activities as performance measures in their performance agreements because of their relative ease of identification and quantification, rather than outcomes (Republic of Botswana, 2005a:29). Performance measurement difficulties have also occurred at junior levels, being especially pronounced for industrial level employees, such as clerks and drivers. The difficulty of establishing performance indicators for more operational and routine work has produced the tendency to evaluate easily measurable activities in their assessments. As consequence of this, the veracity of statistics and performance achievements is compromised, and renders the achievement of the strategic goals such as better service delivery and productivity, among others, misleading (Republic of Botswana, 2005a:30).

The introduction of performance management has also called into question the

appropriateness of the human resource management regime in Botswana's public service. Despite generally positive perceptions of the PMS among public servants, senior officers have reported encountering "difficulties in managing and supervising staff because of entrenched attitudes, some of which may be derived from traditional values linked to age, gender, ethnic affiliation and other cultural components of the work environment" (Republic of Botswana, 2005a:50). Combined with emerging challenges such as demographic changes, a more educated workforce and the scourge of HIV/Aids, the difficulties outlined present a case for the transition towards a better human resource management framework. The state of human resources management in the public service, as depicted in the Evaluation Report, is one very much in the traditional mode, with emphases on rules and processes and characterised by outdated policies and job descriptions.

Compounding the human resource management difficulties outlined above, an impediment to the overall effectiveness of the PMS has been the lack of comprehensive training on the programme throughout the civil service. Although top level civil servants have undergone PMS workshops or seminars, a weakness identified by most officers and noted in the Evaluation Report is that their durations have been "too short to meaningfully equip the officers to cascade the concepts to their junior officers" (2005a:53). While a significant cause of this discrepancy is that most training initiatives have been located in the capital, Gaborone, an inevitable implication is that the street-level bureaucrats responsible for managing PMS have been distanced from the initiative. This is borne out by the findings of the Public Service Customer Satisfaction and Staff Perception Survey of 2008 in which training in PMS is identified by most public servants surveyed as an area of high priority and a determinant of job satisfaction. This undoubtedly has an impact on the ability of PMS to achieve greater application at the interface between public services and the public they serve.

The application of the PMS to Botswana's public service has, as in many developed countries, brought about some unintended consequences. In the country's judicial system, for example, performance paradoxes have emerged from the use of certain performance measures, detracting from the development, maintenance and sustenance of an "efficient and effective Judicial System that dispenses justice fairly, impartially and expeditiously" that constitutes the primary mission of this branch of government (Republic of Botswana, 2011:1). In their study of performance management interventions at the magisterial level of Botswana's judiciary, Marobela and Mawere (2011:5315) use the example of a performance

target such as that which demands that “magistrates should not have [criminal] cases that are older than 2 years that are pending determination,” as being especially culpable for giving rise to unintended consequences. According to their findings (2011), the pursuit of this target by magistrates has resulted in unnecessary delays not only to deserving criminal cases of lesser ages, but also to civil cases. Referring to the latter, Marobela and Mawere (2011:5315) suggest that “very few magistrates now find the time to conduct civil trials as their time is now consumed by the attempt to achieve the performance target in the criminal cases.” The implication for this, among other unintended consequences is that while performance evaluations may well reveal that magistrates are efficient at meeting their targets, the PMS as applied to Botswana’s magistrates bench neglects other aspects of performance that are not included in the measurements, including accountability to stakeholders.

4.2 Privatization

4.2.1 Institutional Arrangements and Implementation

An important driver of the privatization policy for Botswana has been the need to enhance the role of the private sector in the economy. Although the absence of adequate private sector activity was a factor behind the expansion of government into several spheres of the economy immediately following independence, by the late 1990’s, the private sector was considered to be sufficiently developed and “capable of supplying services both in competition with, and in place of, several Government departments” (Republic of Botswana, 2000:2). With the additional growth of the financial sector, the embrace of a privatization strategy signalled government’s intention to change its role in the economy from a primary provider of goods and services to a facilitator and regulator of private sector led economic activity, consistent with the shift in the emphasis of macroeconomic policy from state to market orientation (Republic of Botswana, 1998; Republic of Botswana, 2005b). This, according to the Privatization Policy (2000:3), necessitated a change in relations between the state and the private sector: from one of a nurturer to a “Smart Partnership of cooperation and complementarity.” Other factors included the needs to limit the size and scope of the public sector and to improve the productivity of public enterprises (Wright, 1997; Nordas and Gergis, 2000; Republic of Botswana, 2000).

4.2.2 Privatization Policy Development Process

In preparation for the privatization policy, a Privatization Task Force was convened by the

Ministry of Finance and Development Planning in November 1997. Comprising 14 representatives from public enterprises, academia, the civil service and the private sector, the task force embarked on an eight-month countrywide consultation drive to sensitize Botswana about the issue of privatization and solicit their input and concerns (Republic of Botswana, 1998). Consultation visits were also made to countries deemed to have had extensive experience of privatization, including Australia, New Zealand and Singapore. Upon review and approval by an inter-ministerial committee in 1998, a Draft Privatization Policy was submitted to the Economic Committee of Cabinet for final input and approved by the National Assembly on April 5th 2000 (Adams, 2003).

The Privatization Policy for Botswana identifies two main definitions of privatization. The ‘narrow’ definition refers to the partial or complete transfer of ownership of public entities to private hands, or divestiture. A much broader definition, which the document adopts, takes privatization to mean the various measures and policies that result in private sector participation in economic activities previously carried out by the public sector. The objectives of Botswana’s Privatization Policy include (Republic of Botswana, 2000:8):

- “Promoting competition, improving efficiency and increasing productivity of state owned enterprises;
- Increasing direct citizen participation in the ownership of national assets;
- Accelerating the rate of economic growth by stimulating entrepreneurship and investment;
- Withdrawing from commercial activities which no longer need to be undertaken by the public sector;
- Reducing the size of the public sector;
- Relieving the financial and administrative burden of Government in undertaking and maintaining a constantly expanding network of services and investments in infrastructure;
- Broadening and deepening the capital market.”

4.2.3 Scope of Privatization

In considering the extent to which the size of the public sector should be reduced, the Draft White Paper on a Privatization Policy for Botswana (1998:49) acknowledges that although the scope for privatizing its activities is broad, “the government size should not be reduced to

the extent of sacrificing important social and economic objectives.” This principle is underlined by the choice of a selective, as opposed to mass approach to privatization. The latter course, taken by many developing countries under adjustment programmes, an example being Zambia, involved the transfer to private hands of several public enterprises as part of a comprehensive national economic reform and restructuring programme (Republic of Botswana, 1998; Simwanza and Samaratunge, 2010). The selective approach entails the privatization of select public enterprises on a case-by-case basis, with the objective of learning “by doing things in sequence” (Republic of Botswana, 1998:50).

4.2.4 Modalities of Privatization

In the context of the broader understanding of privatization assumed by the Government of Botswana, different ‘modalities’ of commercial involvement could be considered depending upon several factors, including “the objectives of the government; the financial condition and performance record of the entity; and the ability to mobilise private sector resources” (Republic of Botswana, 2000:8). The various gradations of privatization identified by the Policy include commercialization, corporatization, contracting out, management contracts, concessions, management and/ or employee buyouts and stock market flotations. Commercialization could be considered for government departments considered to provide goods and services similar to those produced by the private sector. The contracting out of services to the private sector is another privatization reform option to the Botswana government. According to the Draft White Paper on Privatization (1998), several parastatals and government departments have already had experience of contracting out some of their functions, including consulting services, legal service and maintenance services.

4.2.5 Public Enterprise Reforms

Public enterprise reforms constitute an important element of Botswana’s privatization policy. According to the Draft White Paper (1998), among the various issues for public enterprise reviews are: the imprecise performance targets for public enterprises and the absence of appropriate sanctions; the lack of managerial autonomy over operational decisions such as price determinations, executive appointments and remunerations, and; the fact that public enterprises are not subject to income tax nor required to pay dividends commensurate with the capital invested in them. These aspects of the financial structures of public enterprises, along with their debts, and inconsistent rates of return are identified as sources of inefficiency

and potentially prohibitive to private investors (Republic of Botswana, 2000).

Financial restructuring is the chosen method for reforming public enterprises and according to the Policy entails a “reorganization of the assets and liabilities on the enterprise’s balance sheet in a manner that will be consistent with a credible cash flow projection” (Republic of Botswana, 2000:15). The aim of restructuring is to improve the performance of public enterprises and make those earmarked for privatization attractive to potential buyers. It is expected that financial restructuring will help reduce the debt through, among other things, debt-equity conversions. Other elements of restructuring include the sale of some assets, the injection of new capital and the writing off or writing down of others. According to the Policy, irrespective of the form it will eventually assume, privatization will not succeed if the accompanying policy, legislative and regulatory frameworks are restrictive. The Policy, therefore, also proposes reviews to the legal and regulatory environments within which public enterprises function, whether or not they will be privatized.

While noting that the current legal framework appears to be adequate, the Policy acknowledges that commercial and business laws will be reviewed for “weaknesses in their enabling and regulatory functions so that the appropriate remedial action can be taken” (Republic of Botswana, 2000:17). Consistent with the selective approach to privatization taken by the Government, the legal steps required to privatize an organization or unit are to correspond with its legal form. For example, public enterprises operating as government departments will be corporatized, while those already operating as corporations will be granted further legislative authority to facilitate their partial or complete transfer to the private sector.

The Privatization Policy identifies the need for a Competition Law to outline the powers, rights and responsibilities for competitive entities, particularly newly privatized monopolies. An important element of the proposed Law would be its provision for an Act that would establish the powers and functions of the regulator. Given the lack of capacity for dedicated regulators in different monopolistic sectors such as electricity and water provision, the Policy envisages that the regulatory functions for the different sectors will be assumed under one umbrella or multi-product regulator, whose functions will include (Republic of Botswana, 1998):

- The promotion of competitive market conduct and prevention of misuse of monopoly power;
- The enforcement of licensees' obligations under the licence and under relevant statutes;
- Monitoring quality of service and prescribing service standards under enabling authority under the licence or statute;
- Acting as a facilitator between consumer groups and, regulated industries and relevant government departments.

Pivotal to the public enterprises reform and privatization processes is the need for strong institutional capacity to, in the case of the former, undertake effective monitoring of their performances, and in the latter, manage with strict adherence to commercial principles, the complex contractual arrangements that ensued (Republic of Botswana, 2000). The strengthening of the judicial system, particularly to ensure efficiency in the resolution of commercial and industrial disputes, is highlighted as one means of improving institutional capacity.

The Privatization Policy also points to the creation by government of an autonomous agency to “perform the twin tasks of effective evaluation of the performance of parastatals and advice on the commercialization and privatization process” (Republic of Botswana, 2000:21). Conceived of as an independent agency to be run along commercial lines, the Public Enterprise Evaluation and Privatization Agency (PEEPA) would consist of a board of government appointed directors, mostly from the private sector and serving on limited term contracts. In addition to the oversight role alluded to above, the organization would be responsible for, among other things:

- Identification of candidates for privatization or commercialization/ corporatization and decide on the appropriate course of action;
- Preparation of a privatization master plan;
- Reviewing objectives of existing parastatals and setting objectives for entities to be commercialized and/or privatized;
- Assisting government in setting performance targets for parastatals and other public entities;
- Developing and executing a public education programme.

Of the various responsibilities for PEEPA, perhaps the most significant would be the development of the Privatization Master Plan, which would provide a detailed privatization and commercialization programme. In addition to identifying possible candidates for privatization, the plan would outline the criteria to be used.

Following the adoption of the Policy in 2000, PEEPA was established in August 2001 with its first task being the development of a “detailed plan of commercialization and privatization in consultation with all stakeholders” (Republic of Botswana, 2000:25). Subsequent to a major review of the activities and operations of public enterprises, the Master Plan was approved by Government in 2005 with the main purpose of providing “a screening of all public enterprises for suitability for privatization using the criteria of desirability and feasibility and to draw up an action plan for those parastatals and public services which have been selected for early privatization and commercialization” (Republic of Botswana, 2005b:5). It would only be when the privatization of a public enterprise was perceived as being both desirable and feasible therefore, that consideration would be given to its partial or complete transfer to the private sector.

The desirability criterion, according to the Privatization Policy, would be based on an assessment of the relative advantages and disadvantages of private sector over public sector provision of the particular good or service considered (Republic of Botswana, 2000:10). While desirability is likely to be augmented by factors such as the potential for efficiency improvements, access to international markets and the promotion of citizen empowerment, the social, development and strategic importance of the particular enterprise are equally important factors. Feasibility refers to the ease with which an enterprise can be privatized, as well as the appeal of its activities to prospective investors. These are determined by, among others, the state of the legal and regulatory framework, as well the growth potential and market position occupied by the enterprise. Some of the factors enhancing the feasibility of privatization for an enterprise or activity include its profitability and availability of resources for purchase. The necessity of preliminary legislative changes, sector reforms or restructuring will, however, reduce the likelihood of privatization.

Based on the criteria of desirability and feasibility, the Privatization Master Plan outlines several parastatals and enterprises that meet both criteria, i.e., are suitable for immediate transfer to the private sector. These include the Botswana Telecommunications Corporation

(BTC), Air Botswana, the Government Employees' Motor Vehicle and Residential Property Advance Scheme (GEMVAS) and subsidiary companies of various enterprises such as the Botswana Meat Commission (BMC) and the Botswana Post (BP). Two of these enterprises, notably BTC and Air Botswana, are included in the first Privatization Action Plan which, expected to run from 2005/06 to 2008/09, sequenced a maximum of two major privatization exercises to be undertaken concurrently with the transfer of smaller entities.

4.2.6 Impact of Privatization

With the exception of the contracting out of municipal services such as road development and maintenance, and gardening, cleaning and security services, Botswana's privatization endeavours, particularly the sale of its public enterprises to the private sector, have largely failed to bear fruit. The failures to privatize Air Botswana and the BTC - the two organizations identified in the Master Plan as the first and most primed candidates for outright sale - within the 4-year period of the first Action Plan are instructive. More significantly, the protracted privatization process of the national airline in particular, has exposed several weaknesses in the country's privatization strategy.

Established in 1980, Air Botswana's identification as a candidate for privatization predates the 2005 Master Plan. Notwithstanding initial preparations for its transfer to private hands, such as major financial restructuring in 1994/1995, the Airline has yet to be privatized despite interest from prospective investors such as Comair, Air Mauritius, Airlink of South Africa and a Russian tycoon (Mmegi, 2008). While a fleeting glance at successive Budget Speeches since 2000 indicates initial optimism about the process, by 2008 it was apparent that hope had given way to skepticism, particularly about the profitability of the enterprise (Republic of Botswana, 2008). Given factors such as consecutive net losses, ageing fleets and the inability to retain qualified pilots, government decided to recapitalize the airline, apportioning P103.1 million of that year's budget for the process. In addition to that, a management contract arrangement was sought in 2009 and the privatization indefinitely deferred in 2010 (Republic of Botswana, 2008; 2009a; 2010).

Similarly, the privatization of the BTC has been a protracted process beset with implementation problems. As of 2010, neither the BTC nor any other public enterprise had been privatized. The sluggish progress of Botswana's privatization endeavours means that that the country has generally been ineffective in reducing the size of its public sector and

improving the presence of the private sector in the economy. The 10th National Development Plan 10 (2009b:109) indicates a public service establishment annual employment growth rate of 2.5 percent over the six years of NDP 9, or 10 135 new posts in that period. Equally, the devastating effect of the global economic crisis on the country's economy, caused in large part by a decline in diamond exports, only served to highlight the continued significance of the Botswana economy's dependence on the mining sector. According to the 2010 Budget Speech (2010:4), this was reflected in the 4.6 percent contraction in real GDP between 2008/9, largely as a result of a mining sector that declined by 31.4 percent, despite the rest of the economy registering an 11.6 percent growth rate over the same period.

There are various possible accounts for the lack of meaningful growth in private sector participation in Botswana's economy. One obvious factor is that the absence of the financial pressures that have compelled other countries to undertake privatization render Botswana's efforts, though representing government's real desire for greater private sector participation in the economy, less urgent. Another explanation could be that investors may be dissuaded by the country's stable political and economic environments. Adams (2002) argues that foreign direct investment is likely to seek out opportunities in countries with the opposite conditions, i.e., lacking strict regulatory mechanisms and taxes, and cites Angola as one such country that has seen rapid increases in foreign direct investment in recent times, despite instability in its political environment.

Another explanation may be found in examining the country's administrative machinery. According to Conteh (2008:549), although useful in ensuring the effective management of the country's macro economy since independence, Botswana's administrative system "suffers from some of the pathologies of a highly centralised and overly hierarchical bureaucracy... [and]... proves ill-equipped to deal with the dynamic complexities of economic diversification through partnership with private actors". Institutional rigidity, particularly between ministries and their field agencies, can be said to be hindering Botswana's attempts to strengthen the role of its private sector by restraining agency autonomy and flexibility.

The overbearing influence of certain central ministries, such as the Ministry of Finance and Development Planning (MFDP) and the Ministry of Trade and Industry (MTI) on the activities of their field agencies have served to undermine the legitimacy of the latter, as well as Government's engagement of the private sector (Conteh, 2006). The preoccupation of

senior bureaucrats with ensuring the adherence of field agencies to the rules and procedures issued by head office has served to direct agency responsiveness towards servicing the requirements of the parent ministry, rather than seeking out private partners to engage (Conteh, 2006). This is a sentiment echoed by Kaunda (2004:2), who attributes the repeated failures to privatize the national airline to the “centralising tendencies inherent in government”. Although certain considerations, such as national prestige, have often proved to be obstacles in the privatization of certain state enterprises such as the national airline, the fact that government has long earmarked it for privatization renders such explanations weak in the case of Botswana. Other possible accounts for the slow pace of private sector growth through privatization in Botswana include the absence of strong motivating factors such as severe financial crises and the relatively weak adherence among the ruling party to predominant ideologies such as neo-liberalism, which certainly lent urgency to leading reformers.

While a cursory glance at Botswana’s privatization policy reveals some likeness to international best practice, an accurate account of the impact of the policy is that it has largely been rhetorical. As a strategy for economic diversification, the policy is hampered by the highly bureaucratic and centralized nature of the country’s administration. It is these ‘pathologies’ that may require addressing, prior to any sale of state owned enterprises.

4.3 Anti-Corruption Reforms

4.3.1 The Directorate on Crime and Economic Corruption: Role and Structure

The Directorate on Crime and Economic Corruption is the Botswana government’s principal anti-corruption agency. Although it falls within the ambit of the Ministry of the State President, the Directorate is regarded as an operationally independent department. At its head is a Director who, according to the Corruption and Economic Crime Act (1994) is appointed by the President and to whom the Director is mandated to submit an annual report on the Directorate’s activities. The Director is assisted by a Deputy Director and five Assistant Directors who oversee the organization’s operational branches. From an initial staff complement of 49 and operating only from Gaborone, in 1994, by 2008 DCEC staff had grown to over 200 and the organization had expanded to Francistown, the country’s second city, to counter the growing number of reports emanating from the north of Botswana (Katlholo, 2004; Matlhare, 2006).

4.3.2 Investigation

The functions of the Directorate can broadly be classified into the three strategies of investigation, prevention and public education. According to the Corruption and Economic Crime Act (1994), the investigative mandate of the DCEC includes:

- to receive and investigate any complaints alleging corruption in any public body;
- to investigate any alleged or suspected offences under this Act, or any other offence disclosed during such an investigation;
- to investigate any alleged or suspected contravention of any of the provisions of the fiscal and revenue laws of the country;
- to investigate any conduct of any person, which in the opinion of the Director, may be connected with or conducive to corruption;
- to assist any law enforcement agency of the Government in the investigation of offences involving dishonesty or cheating of the public revenue

To achieve these objectives, the investigations branch of the Directorate is divided into three units: intelligence, prosecution and anti-money laundering. The role of the intelligence unit is to receive information and reports on which investigations on corruption and economic crime are to be based. The Directorate maintains an 'open door policy' approach and solicits information from various sources including the general public, media and government departments with some of the principal modes of reporting including telephone, e-mail, fax and the Directorate's toll free number. Subsequent to this, the reports are subject to various processes, including factual verification, review and classification and allocations by an internal board. Reports are allocated according to their merit and relevance to the Directorate, with those deemed worthy of prosecution referred to the Attorney General for approval. Upon authorization, the prosecutions unit would then prepare a charge sheet to be taken to a magistrate, prosecute the cases in-house, or return the dockets for further investigation.

The anti-money laundering unit of the DCEC was established as a result of the 2000 amendment to the Proceeds of Serious Crimes Act of 1990, which empowered the Directorate

to investigate money-laundering offences. An irony of Botswana's celebrated economic growth in much of its post independence years and the subsequent conditions it has fostered to court foreign investment and diversify its economy, such as lowering restrictions on doing business, has been that it has rendered itself more susceptible to organized crime, and money laundering in particular. According to Madzima (2009), the liberal finance and company regulatory frameworks that have enabled, among other things, the formation or registration of companies without legal imperatives to vet the owners have served to facilitate questionable financial transactions.

4.3.3 Corruption Prevention

Corruption prevention constitutes another branch of the DCEC strategy to combat corruption and economic crime. The statutory provisions of this branch, as mandated in subsection 6 f, g and h of the Act (1994), include:

- to examine the practices and procedures of public bodies in order to facilitate the discovery of corrupt practices and to secure the revision of methods of work or procedures which, in the opinion of the Director, may be conducive to corrupt practices;
- to instruct, advise and assist any person, on the latter's request, on ways in which corrupt practices may be eliminated by such person;
- to advise heads of public bodies of changes in practices or procedures compatible with the effective discharge of the duties of such public bodies which the Director thinks necessary to reduce the likelihood of the occurrence of corrupt practices

A reading of the foregoing functions indicates that the primary role of this division is to streamline the management systems of public organizations and private persons, if requested, to minimise opportunities for corruption. Assignment studies are the primary means by which the division discharges its functions. A study typically entails first, an examination of the context within which the organization operates, including case files, legislation, policy documents and the organization's structure. This is followed by a firsthand inspection of the organization's management processes, with its information systems, decision-making processes and quality of supervision scrutinized for their susceptibility for fraud and corruption. The final stage of the study involves recommendations to senior management, of

possible revisions to the organization's management systems. Other prevention initiatives undertaken by the division include presentations, publications and workshops (Oluwu, 1999; Matlhare, 2006)

4.3.4 Public Education

Public education is the final component of the DCEC strategy to counter corruption and economic crime. Section 6 of the Act (1994) empowers this division to undertake the twin goals of educating the public about and mobilizing support against corruption and economic crime. Among the tools used to further these objectives are multi-media, including campaigns on radio and television, presentations to public officers, workshops, fairs and exhibitions and debates and panel discussions.

4.3.5 Impact of the DCEC

4.3.5.1 Achievements of the DCEC

In the years since its establishment in 1994, the DCEC has made significant strides in curbing the growth of corruption and economic crime that threatened to tarnish the Botswana's reputation for good governance in the early 1990s. Though not by any means singularly attributable to the DCEC, there is not, perhaps, a more significant validation of the organization's contribution than the consistently high rankings the country attains in global governance indicators. According to a World Bank Institute report, 'Worldwide Governance Indicators 1996 – 2006' Botswana ranked first in Africa in the decade in question in areas such as accountability, public service delivery and control of corruption. This achievement is corroborated by other Institutions' governance indices, including Transparency International's Corruption Perception Index and the Ibrahim Index of African Governance, at the summit of which, Botswana maintained its near permanent position amongst African countries in the 2010 surveys.

According to the Medium Term Review of NDP 9 (2006:149), the number of investigations launched and the subsequent rates of conviction achieved by the DCEC rose, against the backdrop of a levelling in the number of reports made to the organization. While the number of investigations launched improved to 30 percent from 27% in the three-year period, a conviction rate of 77% percent was recorded in the same period. A possible factor behind this

has been the use of a Computerised Case Management System (CMS) in the investigation process. The system acts as a database for intelligence on cases of corruption and economic crime and replaces the manual storage of case files. One advantage of CMS is that because it is electronically based, it provides for input that is more efficient, and offers relatively easy access and transfer of case data to officers, supervisors and senior officials in the organization. Additionally, the database allows for statistical analysis of patterns and trends, thereby enhancing the effective and efficient management of cases (Republic of Botswana, 2003; Matlhare, 2006).

Improvements in the effectiveness of public education outreach programmes could also account for the improvements made in the quality of investigations. A growth in public awareness levels indicates that the majority of the public have developed an understanding of what constitutes corruption and economic crime. Lending credence to this are the results of a Customer Satisfaction Survey undertaken for the Botswana Public Service. They revealed that about two thirds of the respondents expressed their perception of the effectiveness of the DCEC's public education programme as 'very good' and just under half (48.9%) rated the quality of education programmes on the evils of corruption as 'good' (Republic of Botswana: 2005:106). A favoured target of the education initiatives conducted by the Directorate has been the country's youth; with schools, youth centres and universities often playing host to promotional campaigns involving presentations, brochure distributions and anti-corruption clubs (Oluwu, 1999; Matlhare, 2006). The use of a mascot, named *Rra Boammaruri* (Father of Truth), has aided awareness among youth of primary school level. According to Katlholo (2004:4), the mascot has proved particularly popular, with feedback suggesting that children continue to refer to it and that it has "helped them to make moral decisions when faced with ethical dilemmas".

Other advances have been made in areas of corruption prevention. These have included the establishment of a Business Ethics Network Chapter in Botswana, as well the development of codes of conduct for both the public and private sectors. The targets of the Corruption Prevention Division have been various government departments whose administrative procedures have made them vulnerable to corruption. In recent years, the Departments of Labour and Immigration have been especially vulnerable to fraudulent activities in areas such as the issuing of residence permits, citizenship certificates, as well as passport forgeries. Among the measures put in place to prevent the latter form of corruption are a year's delay

before the issuance of a new passport, and a charge of P1000 for a replacement. In keeping with international practice, enhanced security features have also been added to travel documents (Gbadamosi, 2006; Republic of Botswana, 2008; Republic of Botswana, 2009b).

4.3.6 Challenges to the DCEC

Despite the noteworthy achievements cited above, the Directorate faces significant obstacles in the delivery of its mandate. It appears, to some extent, to be hamstrung by the limited provisions of the Corruption and Economic Crime Act (CECA) of 1994 that enables it. An example of this is the partiality of the Act towards corruption and economic crime in the public sector and the limited attention given to the private sector. This is an especially critical shortfall given that the private sphere is often where more sophisticated economic crimes such as money laundering and cyber crimes occur, the provisions for which in the context of Botswana are hardly comprehensive. According to Madzima (2009), sectors that wittingly or unwittingly give rise to such crimes include property, construction, manufacturing and second-hand motor vehicle dealerships.

The flaws of Botswana's corruption and economic crime legislation extend to the area of whistleblowers' protection. While section 45 of the Act provides for some measure of protection for informers, such as the choice of anonymity, this is only in relation to proceedings before a court. The obvious limitation is that it leaves whistleblowers vulnerable to reprisals, sanctions and possible endangerment from criminals. The importance of more comprehensive legislation to protect informers is underlined by a number of factors, including the rising proportion of anonymous reports and the delays in investigations and in some instances closure of cases (Katlholo, 2006).

The absence of legislative provisions for powers of trial over suspected offenders of the Act is a source of considerable strain in the relationship between the DCEC and other institutions, notably the Attorney General (AG) and the courts. As noted above, the Directorate must seek prior authorization from the former before proceeding with prosecution. Despite its relatively high conviction rates, existent backlogs in the court system and delays caused by the capacity constraints in the AG's office prevent the rapid resolution of cases, with some extending on for several months and even years. The findings of a DCEC Performance Audit (2008) indicate that the agency can be apportioned blame for exacerbating delays in the resolution of cases. In many instances, cases have had to be sent back to the DCEC from the

AG because of factors such as insufficient evidence to support the findings and inadequate investigations to test the veracity of statements by the accused. Other aspects of the legislation limitations of the CECA of 1994 include the absence of provisions for the independence of the Director and the lack of definitional clarity between corruption and maladministration, which has frequently resulted in overlaps in the functions of the DCEC and the Office of the Ombudsman (Oluwu, 1999; Gbadamosi, 2006).

Another factor that curtails the effective functioning of the DCEC is capacity constraints and in particular the dearth of sufficient specialist skills and expertise in areas such as forensic accounting and intelligence analysis. While efforts have been made to equip DCEC officers with the necessary competencies through, for example, various training and capacity building initiatives with regional and international organizations and the sponsorship of officers to tertiary institutions, there remains a critical shortage of capable workers (Republic of Botswana, 2003). A plausible explanation for this, according to Malthare (2006) is high staff turnover, caused in part by the lack of competitive salaries. As with other organizations and sectors, the DCEC has been a victim of national prioritization with sectors like health (driven by the HIV/ Aids pandemic in particular) and education receiving the bulk of development funds (Katlholo, 2004).

Summary

This chapter has presented the findings of the implementation of performance management, privatization and anti-corruption reform initiatives in Botswana's public sector. Building on the rationale for Botswana's second phase of public sector reforms that was presented in the previous chapter, it has presented the institutional structures on which these reforms have relied upon in the country's public sector. Furthermore, it has examined their impacts according to their stated objectives.

CHAPTER FIVE

Conclusion

5.0 Introduction

The first objective of this study, as outlined in the introductory chapter, was to identify the reasons behind public sector reforms in Botswana. With chapter two having provided a broader context of public sector reforms in developed and developing countries, this was done and the results presented in the chapter three. The second and third objectives of the study were to establish how performance management systems, privatization and anti-corruption reforms had been implemented in the public sector; and to evaluate the impact of these reforms according to the changes they sought to effect on Botswana's public service. The results of these two objectives were presented in chapter four.

A general observation of the second phase of Botswana's public sector reforms is that while performance management and the DCEC provide room for optimism, by virtue of its inertia, the privatization process has provided little cause for optimism so far. Although the DCEC could be regarded as having achieved the most success in the pursuit of its objectives, PMS has yet to achieve effective implementation. While the three reform initiatives were developed internally and not, as in many developing countries, external prescriptions, when viewed from a broader perspective they bear some resemblance to reform frameworks seen in more developed countries. Performance management systems and to a limited extent privatization can be said to carry some elements of New Public Management and its underlying ideas, while the establishment of the Directorate of Corruption and Economic Crime has reflected global reform trends towards the 'good governance' agenda.

5.1 Summary of Findings

5.1.1 Performance Management Systems

The Performance Management System was envisaged as the cornerstone of Botswana's recent reform endeavours and a reform through which it was expected that the productivity and general performance of the public service would be enhanced. As the findings in the previous chapter indicate, the PMS has introduced a culture of planning into the work of public service organizations and their employees, as well raising awareness of the importance

of the performance measurement, review and evaluation in assessing and assisting progress towards strategic objectives.

Despite the relative infancy of PMS, there are numerous pitfalls, some of which were highlighted in the previous chapter that must be avoided lest the initiative fails to live up to the strong rhetoric of the PMS Philosophy. Training on the PMS, particularly at the lower levels of public service employment, is an important step in this regards, because, it is this segment which is largely responsible for the day-to-day implementation of government policies. The improved effectiveness of the PMS will also depend on greater efforts at decentralization of responsibility to Ministries and Departments, commensurate with their increased accountability, for planning and budgeting, as well as customization of PMS.

An overview of the performance management system as applied in Botswana's public service indicates some convergence to the 'managerialism' strand of New Public Management. Managerialism, as explored in the second chapter, comprises beliefs and practices grounded in the assumption of management as generic and superior to other methods of organization. With its emphasis on the development of strategic objectives, performance measures and targets at all levels including ministerial, department and individual employees, the performance management system has sought to infuse a sense of procedural rationality to the administrative process. This reflects the embrace of administrative values related to the New Public Management paradigm, such as output orientation and a culture of justifying both the existence of public organizations and their activities.

Of the two variants of managerialism outlined in the literature review, Botswana appears to have pursued more of the 'make' than the 'let the managers manage approach.' This is borne out by the use of market-imitative devices such as performance agreements and performance and development plans for permanent secretaries and civil servants, respectively. The parallels between Botswana's performance management framework and managerialism are relatively tenuous, however. Where, in more advanced reformers, performance management has been accompanied by changes to the structural and financial management architecture, this is yet to happen in Botswana. This has led to circumstances in which public sector managers have been given targets to achieve without the requisite latitude, such as responsibility for hiring and firing, to achieve them.

5.1.2 Privatization

Of the three public sector reform initiatives under examination in this study, the privatization reform has been the least successful, as it appears to ignore certain challenges within Botswana's economy, such as institutional rigidity and over centralization. In its understandable pursuit of a greater role for the private sector in the economy, an important task for the government is to re-examine the rationale for privatization, particularly given the generally good performances of its public enterprises. Of equal importance in stimulating private sector growth is the need to minimize the influence wielded by key economic ministries such as the Ministry of Finance and Development Planning (MFDP) and the Ministry of Trade and Industry (MTI) on field agencies through, for example, greater decentralization of administrative functions.

Privatization, as described in previous chapters has been implemented largely by developing countries as a means of raising revenue for the state, reducing its involvement in economic affairs and more importantly, achieving economic efficiency. While there has been a strong undercurrent of rational choice theory assumptions underpinning many of the prescribed privatizations in the developing world, the influence of the theory's core tenets has been generally absent in Botswana's privatization endeavours. Although primary evidence of this has been the lack of progress, as envisaged by the privatization policy since its inception, other indicators include the definition and scope of privatization adopted in the policy document. As identified in the fourth chapter, the privatization policy of Botswana embraces a broad definition of privatization and it aims to undertake a selective, case-by-case approach. These two policy choices, though seemingly insignificant, are quite instructive. They indicate that while the country has committed to increasing the participation of the private sector in economic activities previously undertaken by the public sector, it has done so pragmatically and without adherence to any ideological prescripts.

5.1.3 Anti-Corruption – The DCEC

The DCEC is reflective of developments in the public sector reform agendas of developed and developing countries. As an institution established to safeguard against the ills of corruption and economic crimes, it falls within the broad parameters of what constitutes 'good governance' reforms. Despite a long-held distinction of being among the least corrupt countries on the African continent, the DCEC has performed reasonably well in maintaining Botswana's admirable position. Through the concerted efforts of the

organizations three main divisions – Corruption Prevention, Investigations and Education, the DCEC has achieved notable successes, particularly in raising public awareness of corruption. There is need for a review of the Corruption and Economic Crime Act (CECA) of 1994 to be strengthened to incorporate more sophisticated crimes such as money laundering and cyber crimes and provide greater legislative protection for whistleblowers, in order for the organization to improve its performance. With the lack of competitive remuneration offered as a prime reason for the DCEC's high turnover rate, an important task is to ensure that compensation is commensurate with the specific skills required. The centrality of important skills such as forensic accounting for the organization makes this an urgent priority.

Notwithstanding the privatization initiative, an overview of Botswana's public sector reforms provides cause for cautious optimism. The study has found performance management and the DCEC represent steps in the right direction of improving service delivery and eliminating corruption in the country. Privatization remains a concern, not least because of the pressing issues of reducing the dominance of the state in the economy and diversifying a mineral dependent economy.

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